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Exploring the competing rationalities between drivers of social housing and urban regeneration in the city of Johannesburg

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CHAPTER 1

INTRODUCTION

1.1 Chapter Objectives

The aim of this chapter is to provide a brief background and an inter-link between the core concepts that form the main focus of this research. These core concepts are local economic development, urban regeneration and social housing. These three concepts are looked at because the aim of this research report is to explore the link between social housing and urban regeneration.

Local economic development can be said to be the shift of economic development responsibility from central government to local authorities, while urban regeneration involves strategies pursued by local authorities to attain efficient economic development in their locality. The research report will follow urban regeneration within the Johannesburg Metropolitan Council, with the main focus being on the property-led economic development of Johannesburg's inner city regeneration strategy. Social housing is placed in the context of this inner city regeneration strategy and the objectives of social housing and urban regeneration are looked at critically, to assess whether their objectives are in synergy or in conflict with each other and the implications of the regeneration strategy on the future of social housing affordability for low- income earners in the inner city.

This chapter also discusses the research objectives and methodology to be followed in this research report.

1.2 Background

1.2.1. Johannesburg

The city of Johannesburg developed as a result of the gold mining activities on the Witwatersrand area. During the 1990s the Johannesburg inner city has seen a number of companies relocating to the edge of the city in the north, to areas like Sandton.

This movement is linked to the development of shopping malls in the northern part of Johannesburg and can be traced to the early 1970s. It has been attributed to shortage of parking facilities in the inner city, which was partly linked to the municipal policy of limiting the provision of off-street parking in new office blocks (Beavon, 2001; Beall et al 2000: 56).

"Malls were able to compete with the inner city because at that time they did not fall under the authority of the Johannesburg municipality (Beall et al, 2000: 57). Between 1959 and 1967 the state created two new municipalities, Sandton and Randburg with independent municipal status. In order to secure their own tax base, these new areas had to compete for business with Johannesburg" (Beavon, 2000: 2). The increased migration of business to the suburbs increased in the 1980s, exacerbating the withdrawal of investment in the inner city as companies that relocated left buildings vacant.

While these developments were taking place in the north, the southern part of Johannesburg was also experiencing some changes in relation to housing. At the end of 1960 the state stopped the provision of standardized low cost housing in Soweto, as an effort to limit urbanization. In the 1970s there was increased overcrowding of council houses and shack developments, while the 1980s-1990s had increased squatter settlements on vacant land within and on the boundaries of Johannesburg (Beall et al, 2000: 60).

Around the late 1970s racial residential segregation began to break down in the inner city. White people were encouraged by the state to own houses instead of renting. As a result there was a shortage of white tenants. Combined with the issue of lack of accommodation in the south, desegregation of the inner city accommodation set in as black people started moving into inner city buildings (Beall et al, 2000: 65).

The inner city is now faced with high crime, inadequate enforcement of by-laws, unmanaged informal trade, and poor credit control and revenue collection as

challenges (City of Johannesburg Executive Mayor's Mid-Term Report: 2000-2003). According to the Centre for Development and Enterprise (1996a: 3) in an era of globalization cities "need to become actively entrepreneurial for the benefit of all urban dwellers, city stake holders must identify and then build on their distinctive competitive advantages in the global economy" (Rogerson, 1997:177). As part of addressing its problems in a globalisation era, City of Johannesburg has taken upon itself to focus on local economic development.

1.2.2. Local Economic Development

This section explains the concept of local economic development, its origins and the different forms in which it takes place. Local economic development in the Johannesburg area is carried out in several ways, one of which is urban renewal/regeneration, which will be addressed in detail later in the report.

Local Economic Development (LED) has replaced regional planning as its expansion reflects efforts to improve local economies in a globally competitive era. The concept of LED is contested as it means different things to different groups. For the World Bank the core objectives of LED are to enhance competitiveness and sustainable growth, whereas for other analysts the focus is to challenge the Washington Consensus through addressing challenges of unemployment, poverty alleviation and the imperatives for evolving pro-poor LED interventions (Rogerson, 2002:39). For Syrett (1995), two impulses are identified for the emergence of LED planning: a boosterist desire (efforts to revive the economy) for local economic growth and a more defensive generative desire to avert local economic decline.

The 1990s saw yet another rise in development at local level which gained momentum in the 1980s during the later part of apartheid. The strengthening of LED in the 1990s in South Africa can be attributed to the new democratic government. The end of apartheid took South Africa back to re-integration into the global economy but the country had inherited a severe economic and employment crisis, with a million jobs losses estimated in 1990 due to poor economic performance,

global competition and deindustrialization, this affected the gold mining industry severely (Lester et al., 2000; Wakeford, 2000 cited in Nel, 2001:1003). It is through this factor that global influences are experienced in South Africa, meaning that involvement of local authority in LED is linked to the changing international environment. The involvement of local authorities like Johannesburg, Durban and Cape Town in local economic development is due to motives of reviving their economies seeking to take economic advantage of new opportunities in a changing international environment (Rogerson, 1997).

South Africa has the legacy of apartheid, which some argue was more intensive in Johannesburg. In the context of increased global economic activity and a shift to democracy in South Africa, redress of past imbalances, spatial, economic and social integration have been key concepts in the agenda of development. Local authorities have undertaken different strategies to revive their cities.

1.2.3. Urban Regeneration

Local economic development is pursued through different urban regeneration strategies by different local authorities. This section covers the definition of urban regeneration and gives a brief description of the Johannesburg Metropolitan Municipality's urban regeneration strategy. Urban renewal, urban regeneration and urban upgrading are all at times used to refer to the same process but Engelbrecht (2004: 10) offers a distinction between the three. "Urban renewal is used in the USA to refer to the redevelopment of urban centres, with an emphasis on the redevelopment of economic infrastructure. Urban regeneration is largely derived from European literature to refer to redevelopment of derelict residential or industrial areas, usually linked to the development of human and social capital. For the purposes of this research urban regeneration will be used because this is the term used in the context of the City of Johannesburg (CoJ).

The initiatives to revive economic activity within Johannesburg are part of its broad economic development strategy, vision 2030, whose main objective is to make

Johannesburg a 'World Class City' by 2030. Joburg 2030 is a document which sets out City of Johannesburg's long-term strategic plan. This document sets out the ideal vision of how City of Johannesburg envisages itself to look like over a period of 30 years. The 2030 strategy emphasizes developments to revive the physical infrastructure and buildings within the inner city so that private investors (local and international) will be drawn back to invest. An Inner City Regeneration Strategy has been formulated to raise and sustain private investment in the inner city, which would lead to a rise in property values.

As part of its property-led economic development, the City of Johannesburg formed the Better Buildings Programme (BBP). This programme identifies buildings which have high debts, are in liquidation, in a slum condition or have been abandoned by owners (The Star, 22-03-2005). The BBP intends to facilitate the regeneration of the inner city and improve quality of life for residents by selecting building managers who will renovate the bad buildings and bring them up to a required level of health and safety standards. It is hoped that these buildings will attract investment into the inner city, facilitate improved revenues for the City and improve credit control measures.

The buildings identified through the BBP are sold to private sector companies and housing institutions with a good management reputation, to renovate and manage in a sustainable manner. Housing institutions such as the Johannesburg Housing Company (JHC) have taken over some of these dilapidated buildings for renovation and to provide social housing in the inner city.

1.2.4. Social Housing

Social housing in South Africa emerged as an alternative to decrease the housing shortage in the country for low-income earners. In the South African context, the Social Housing Foundation has developed the following working definition of social housing: "housing aimed at low- to-moderate income families and takes account of a

wide variety of tenure forms and does not include immediate individual ownership" (Social Housing Foundation Guidelines for Social Housing Design, 2000:7).

According to the Social Housing Policy for South Africa (2003), the target groups to be accommodated in social housing are people with a monthly income from R1501 to R3500 a month. Social housing in the inner city can be seen as a way to help to redress the spatial planning of apartheid, which located disadvantaged communities in remote areas, away from their workplace. Social housing is also seen as one of the delivery mechanisms to speed up the process of housing delivery and to increase alternative housing tenure options like rental and cooperative housing models in South Africa (Social Housing Policy, 2003).

1.3. **Problem statement**

This section gives a background to a social housing institution called the Johannesburg Housing Company (JHC) and makes a link between JHC and the Better Buildings Programme (BBP), which have been working together closely in the provision of houses in the inner city. This sets the context for a possible link between social housing and urban regeneration.

JHC was established in December 1995, for delivery of social housing in the inner city during the political, social and economic transition in South Africa. JHC has constructed new buildings and renovated existing ones in the inner city of Johannesburg. The buildings it has renovated were acquired through the BBP. There seems to be a link in the work done by the BBP and the JHC. BBP is an administrator of dilapidated buildings, while JHC has a record of renovating dilapidated buildings identified by the BBP.

JHC is currently facilitating a pilot project called the eKhaya Neighbourhood Programme (ENP) in Pietersen Street, Hillbrow, where it owns and manages about three buildings acquired through the BBP. The JHC has brought the building owners in the area together into the ENP to start talking about mutual problems, such as

crime, bad buildings and lack of facilities. By initiating the eKhaya Neighbourhood Programme, the main concern for JHC was the safety of tenants outside the building and the level of neighbourhood deterioration caused by surrounding dilapidated buildings in the area

The eKhaya Neighbourhood Programme seems to fit directly with the objectives of the Johannesburg Property Company's Better Buildings Programme, which manages the process of acquiring bad buildings in the city and tendering them out for redevelopment or renovation by private companies, with a record of good and effective management.

Social housing is aimed at low-to middle income earners while the BBP, which is part of the Johannesburg's Inner City Regeneration Strategy whose aim, interest and focus is to renovate buildings which will in have an increase in property values and attract private sector investment. The BBP strategy is likely to drive property prices high as private investment flocks into the city. This will lead to increased rents and low-to-medium income earners will not be able to afford the increased rent in social housing projects. From this it can be hypothesised that the objectives of social housing and urban regeneration are in conflict with each other.

1.4 Aim of the Research Report

To explore what competing rationalities are evident between the drivers of social housing and urban regeneration in the City of Johannesburg.

1.5 Research Objectives

The research aims to explore the possible conflicts between social housing and urban regeneration in Johannesburg, from the perspectives of key role players in social housing and urban regeneration. Looking at the benefits of social housing stated above, it can be said that social housing plays a role in urban regeneration but the issue of concern is that social housing is meant for low to middle income earners

while Johannesburg urban renewal aims to increase property values in the process of attracting investors. These interests seem to be in conflict with each other.

This research seeks to explore the conflicting rationalities in the relationship between social housing and inner city regeneration by assessing their contribution, objectives, and beneficiaries. The research will draw on the eKhaya Neighbourhood Project as a case study to explore the link between social housing and inner city regeneration and it will address the following:

- Social housing's contribution to urban renewal by exploring whether the two programmes' general objectives are in line with each other or conflicting.
- Evaluate the objectives of Johannesburg Housing Company's involvement in the eKhaya Neighbourhood Project and those of the different stakeholders.
- Assess the implications of this neighbourhood project on the lives of low to middle income earners and
- Assess the long-term implications of the impact of the vision 2030 and the inner city regeneration strategy on the affordability of social housing for low-income earners.

1.6 Research Method

Data was attained from secondary and primary sources. Secondary data was obtained from journals, books and reports. The secondary sources include books, journals, newspaper reports, research reports and the internet. The secondary sources were used to present information on the early days of Johannesburg, its apartheid years and transformation post 1994. These sources were also used to present origins, development and debates on local economic development, urban regeneration and social housing. A general understanding, several debates and perspectives of these concepts will be highlighted and will be narrowed down to application in Johannesburg. The positive and negative views and impacts of these concepts will also be discussed and highlighted.

Primary data was collected in the form of face-to-face interviews. People who were interviewed are representatives from Johannesburg Housing Company (JHC), Social Housing Foundation, Johannesburg Property Company, Johannesburg Central Partnership and the coordinator of the eKhaya Neighbourhood Programme (ENP). The interviews are aimed at highlighting these officials and actors'' understanding of social housing and the target group it is aimed to benefit, their view on urban renewal in the CoJ and its impact on residents, the relationship between JHC and BBP, their view on eKhaya and its objectives, the implications of Johannesburg's inner city regeneration strategy on the future of social housing's ability to accommodate low-income earners in the city. A list of all the people interviewed and dates of the interviews is provided in annexure A.

1.6.1 General limitations

The general limitation of this report is that due to time constraints some people who were anticipated to be interviewed were not interviewed. These are the private sector building owners involved in the eKhaya Neighbourhood Programme, officials from Economic Development Unit and Region 8 of the City of Johannesburg and residents of social housing units, residents who have been affected by evictions in the inner city and those in buildings in the target area of eKhaya Neighbourhood Programme in the Pietersen Street area. Due to this limitation the work in this report reflects the understanding of selected key players or drivers of social housing and urban renewal.

1.7 Outline of chapters

Chapter 1: This chapter will make an introduction of the topic by explaining the key areas to be explored to address the question-local economic development, urban renewal and social housing. It will also include the research method that will be used for data gathering.

Chapter 2: This chapter will look at local economic development internationally and in South Africa, narrowing it down to local economic development initiatives in the form of the City of Johannesburg's urban regeneration strategy. Different ways of

carrying out urban regeneration and its positive and negative impacts on people internationally and in Johannesburg will be discussed.

Chapter 3: This chapter will highlight the origins of social housing in South Africa and link this to the international experience. It will locate social housing in the context of South Africa and housing policy and need and show how social housing fits into the general housing policy.

Chapter 4: This chapter will give a conceptual framework through the discussion of planning theories, to highlight the perspectives from which the interaction of different groups interact in the process of delivering local economic development, urban renewal/regeneration and social housing. This is presented in the context of a Johannesburg with its multi-cultural diversity of backgrounds and diverse interests.

Chapter 5: This chapter will give a brief background of the context of Johannesburg and its inner city, which transpired between the apartheid era and post-apartheid. The transformation of local government of Johannesburg and its new roles and responsibilities will be highlighted.

Chapter 6: This chapter will present the primary data collected and give an analysis of the findings.

Chapter 7: This will be the last chapter of the research report and it serves as the conclusion. It will summarize the main arguments of the report.

Chapter 2

Local Economic Development and Urban Regeneration

2.1 Chapter Objectives

This chapter focuses on LED and urban regeneration. The aim of this chapter is to define LED and the influence of this practice in countries in the South, from countries of the North is highlighted. The chapter also looks at the practice of LED in South Africa. Cities focus on different areas in their implementation of LED, on of which is urban regeneration. Urban regeneration in South Africa, specifically Johannesburg will be looked at in relation to other international models of other countries. The purpose of the discussion of LED and urban regeneration is to provide an understanding of what LED is, why it developed and how it is implemented in some areas through urban regeneration strategies.

2.2 Local Economic Development

The practice of local economic development (LED) has been attributed to the failure of regional planning by the central state to attain equity in economic distribution. LED has spread from the North (developed countries) and is now being strengthened in some developing countries (the South) such as South Africa. The practice of LED in the South has been accompanied by decentralization of power from the national state to local government, which can be observed through the move from apartheid to a democratic state that has put emphasis on restructuring its local government structure as a way to redress imbalances of the past-spatially, socially and economically in South Africa.

LED has been gaining ground in debates by analysts and different writers. At the root of the debate for Bond (1993:147) is “whether traditional types of local strategies are working in generating ‘pro-poor’ economic development, or simply more uneven development”.

2.2.1 Definition of Local Economic Development

LED is "a process in which local government and /or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area (Zaaijer and Sara, 1993:129 cited in Nel, 2001:1005).

LED can materialize if, and when local agencies and/or people seize the initiative and engage in actions which unify communities, business and other relevant authorities in their local area in a joint endeavour to improve their economic and social conditions (Stohr, 1990 cited in Nel, 2001:1006). The World Bank (2003) shares Stohr's view and identifies these stakeholders that can contribute to the success of LED: public (governmental), business (private) and non-governmental (NGOs, community-based organizations, trade unions, social, civic, religious) sectors.

2.2.2 Origins of LED

An early history of the existence of local authorities engaging in initiatives of municipal boosterism began during the 1920s and 1930s and continued into the post Second World War period but these local economic initiatives started weakening due to central governments' shift to economic development planning at regional level (Robinson, 1990;Rogerson, 1995,1996).

Regional planning was practiced to attain "equitable economic growth of nations and was popular after World War II. The failure of most of the regions to show significant improvement in their economic prospects and the planning strategy meant that they lost favour from the mid-1970s. By the end of the 1980s a form of new planning had emerged, based on host communities' quest to improve their local conditions and encourage entrepreneurship" (Nel, 1994). This shift to local economic development (LED) emerged in Western Europe and North America, where local government promotes the well being of its jurisdiction.

There seems to be a shared view among authors in the interpretation of this shift from central to local government at economic development. It was interpreted in relation to the weakening of centralized economic management, with an attempt by localities to counter the effects of global economic intervention arising form the changing international divisions of labour (Sengerberg, 19995, Rogerson, 1997:177). For Tomlinson (1993) the shift in responsibility for development planning from the central government to individual urban areas and localities has occurred "in response to global economic crises, failure of centralized planning to deal with contemporary problems and the assumption by numerous urban areas of responsibility for planning to meet their unique needs" (Nel, 1994:364).

According to the Centre for Development and Enterprise (1996a:3) in an era of globalization cities "need to become actively entrepreneurial for the benefit of all urban dwellers, city stake holders must identify and then build on their distinctive competitive advantages in the global economy" (Rogerson, 1997:177).

LED has replaced regional planning as its expansion reflects efforts to improve local economies in a globally competitive era. The scope of LED is contested as it means different things to different groups. For the World Bank the core objectives of LED are 'enhancing competitiveness and sustainable growth, whereas for other analysts the focus is on challenging the Washington Consensus through addressing challenges of unemployment, poverty alleviation and the imperatives for evolving pro-poor LED interventions (Rogerson, 2002:39). For Syrett (1995), two impulses are identified for the emergence of LED planning: a boosterist desire for local economic growth and a more defensive generative desire to avert local economic decline.

2.2.3 LED in South Africa

The concept of Local Economic Development (LED) is currently attracting considerable attention in government and policy circles in South Africa (Nel and Humphrys, 1999:277). The 1990s saw yet another rise of development at local level which gained momentum in the 1980s during the late apartheid period. The

strengthening of LED in the 1990s in South Africa can be attributed to the new democratic government.

The end of apartheid took South Africa back into re-integration into the global economy but the country had inherited a severe economic and employment crisis, with a million jobs losses estimated in 1990 due to poor economic performance, global competition and deindustrialization. This affected the gold mining industry severely (Lester et al., 2000; Wakeford, 2000 cited in Nel, 2001:1003). It is through these factors that global influences are experienced in South Africa, meaning that involvement of local authority in LED is linked to the changing international environment. Johannesburg, Durban and Cape Town's local authorities' involvement was due to motives of boosterism, seeking to take economic advantage of new opportunities in a changing international environment. In Durban, core emphasis on economic advantages was forged through strong trade links with East Asia (Rogerson, 1997).

There are challenges facing localities that LED seeks to address as its base (Rogerson, 2002:40).

- To balance local economic strategies so that they achieve increased competitiveness and poverty alleviation
- To address enormous demand for service delivery, particularly where services have not reached vulnerable members of society, as well as severe affordability
- To engage in more open, transparent and mutually respectful state-society relations
- To forge new and reformed inter-governmental relationships

2.2.4 The practice of LED in South Africa

South Africa has elements of market-led and market-critical LED approaches, with the former being business oriented and the latter pro poor. Market-led strategies are also termed 'place entrepreneurship' (Rogerson, 2002:41).

According to Rogerson (2002:41) each of these strategies is based on a different premise of the direction in which cities or towns would evolve and necessitates a set of different planning actions to match its particular strategic objective. Pro-poor strategies incorporate poverty alleviation as a way to address the inequalities of the apartheid era and sustainable urban development as a whole.

LED in South Africa is currently being initiated in variations which range from typical, Northern style 'urban entrepreneurial' approaches pursued by the major cities through to a host of community and NGO initiatives which share much in common with strategies pursued throughout the developing world (Nel, 2001:1009). Harvey (1989) highlights different categories of strategies of urban entrepreneurialism, which relate to the role of cities:

Cities as centres of production: Many South African cities fall under this category of enhancing the competitiveness of cities in respect of production activities. This is also termed 'smokestack chasing or local boosterism', as cities attract new manufacturing investment. Examples include Johannesburg which sought to market itself to investors and visitors as a 'world class city', Cape Town and Pretoria which seek to sell themselves as location attractive to high technology industry (Rogerson, 1997: 184).

Cities as centres of consumption: Cities make attempts to make themselves attractive places for purposes of consumption, entertainment or recreation. Johannesburg and Pretoria have done this by actively nurturing their cultural activities (museums or festivals) for enhancing the images of the city and to boost their urban tourism (Rogerson, 1997:185-6).

Cities as centres of information processing and corporate decision making: In South Africa this is done in urban centres, and it places South Africa on a competitive level with cities such as Nairobi and Abidjan for the headquarter offices of private

businesses and international agencies through improving telecommunications and finance infrastructure (Rogerson, 1997: 189).

Cities as centres for the reception of central government surplus distribution: Cities do this as they seek to capture the location of government offices, contracts, institutions or money in the form of development projects or aid grants (Rogerson, 1997:189).

From the above strategies, it can be said that South African cities show the existence of all the four strategies of entrepreneurialism in their LED practice and planning.

2.3 Conclusion

NGOs and CBOs lack government support in their quest to support LED initiatives (Nel, 2001:1018). Policy does not yet adequately acknowledge or support the role of agencies such as community-based organizations, as it assumes local government as a central change agent in its jurisdiction. Rogerson (1997:190) notes that "although the critical importance of developing LED strategies to assist post-apartheid reconstruction is stressed in several government documents…a coherent set of guidelines and a framework for LED has yet to emerge". Policy is biased towards big cities, thus, it does not offer small towns' key needs. Examples of established LED are few and those that exist are in the early stage of implementation, except for four largest metropolitan areas-Johannesburg, Durban, Pretoria and Cape Town which are following broad based comprehensive LED strategies (Nel, 2001:1013).

The practice of local economic development has been embraced by South Africa in post-apartheid, as a way to cope with global competition, as a response to local economic decline, and in several other reasons stated in the paper. It must be kept in mind that most of all it was implemented as a way to address apartheid imbalances. The implementation has been made possible by the central government's decentralization of its powers to local level. The government shows a commitment to

the implementation of LED as it has made provisions for a national framework, laws and policies to guide the process.

The practice of LED in South Africa is not perfect but has flaws, many of which can be linked to the long years of apartheid policy and practice. The new government has had a lot of things to set right and the transition into a democratic state has not been easy. There are still issues that need to be worked on in the implementation of LED such as capacitating rural local authorities and those in small towns by training them to engage in the process. Another issue of concern about LED is its concentration in large urban cities and its weak implementation in rural areas.

2.4 Urban regeneration

This section looks at urban regeneration as a strategy used by local authorities to implement their local economic development within their boundaries. Experiences of urban regeneration strategies in various countries and the City of Johannesburg (CoJ) will be highlighted. It must be kept in mind that during the transition to post-apartheid South Africa, all spheres of government made a commitment to redress spatial, economic, and political and all forms of imbalances resulting from the apartheid era. This is important to keep in mind because post 1994 South Africa was incorporated into the world, in trade etc.

Engelbrecht (2004: 20-22) highlights the dominant focus of intervention in urban centres as the restoration of business confidence by creating the right environment and introducing financial incentives to attract private capital to develop derelict areas. Common interventions of urban centres include:

- Flagship projects which highlight strategic location or unique facilities of the city, they encourage a shift in the perception of the area.
- Prestige projects: are high profiles, large-scale, innovative developments justified primarily by their ability to attract international inward investment and they involve large international events. Their primary purpose is to

change the image of the city. These include convention centres, office complexes and leisure and sporting facilities.

- Identification and support of key economic sectors. An example is the retail sector in CoJ
- Supply side land interventions. These are common in South Africa and they involve the acquisition of land for rehabilitation, development and investment.
- Physical upgrading, enhanced urban management and by-law enforcement
- Tax incentives. In South Africa the Finance Minister announced tax incentive schemes for redevelopment of properties within demarcated urban renewal areas.
- Municipalities offer urban renewal support through property tax relief and bulk service contribution wavers.
- Upgrading of public infrastructure such as upgrading of taxi industry facilities, development of inter-modal transport nodes
- Public trading market upgrade

The interventions above describe the strategies that have been set in place and being implemented within the CoJ. This shows that there are various areas of focus in the implementation of urban regeneration. The various urban regeneration strategies are discussed below.

2.4.1 Exclusion areas

Urban regeneration is applied in exclusion areas, which are "typically areas that have fallen into decay, they generally have good access to services of the municipality, are well located, have high rise developments, are in the inner city, residential areas here are often overcrowded, poorly maintained and have social problems such as crime" (Engelbrecht, 2004: 48). This description fits the status of buildings within the inner city of Johannesburg. Social exclusion "emerged as a way to describe poverty related problems arising out of fundamental changes in social structure, changes such as urbanisation, political and economic transition; and social transformation. The objectives of areas seeking to address social exclusion are captured by the concept of

integration. Urban regeneration seeks to re-integrate these areas and their residents into the wider social, economic and political fabric of the city" (Engelbrecht, 2004: 50).

Local government loses its revenue in exclusion areas because of non-payment which leads to declining property values. Some international cases with characteristics of exclusion areas include South Central Los Angeles, Harlem in New York, and South Shore in Chicago, Sheffield and Rotterdam. In South Africa exclusion areas exist due to the design of apartheid planning whereas others like the international cases are due to decline (Engelbrecht, 2004).

According to Engelbrecht (2004) local governments have a strong interest in reversing the decline of urban centres in order to promote local economic growth, protect their asset base and support their own fiscal objectives. "Urban regeneration is directly linked to the fiscal objectives of local government, as many of these initiatives aim to reinforce and grow the municipal rates base" (Engelbrecht, 2004: 18).

According to the CoJ Mayoral Report (2003-2004: 81) challenges to be addressed as part of the process of regeneration in the inner city of Johannesburg include:

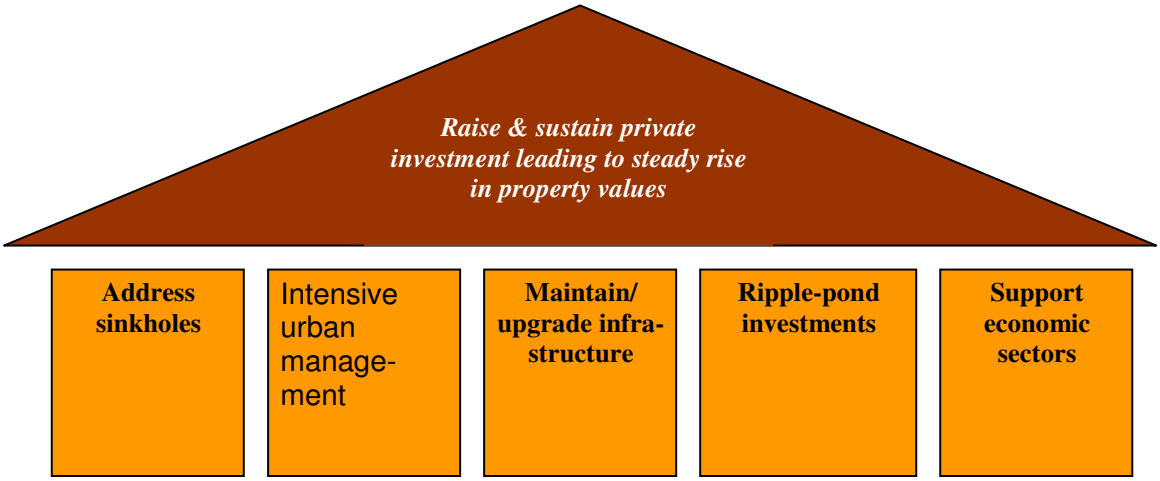
- High crime
- Inadequate law enforcement of by-laws
- Unmanaged informal trading
- Poor condition of some buildings
- Credit control and revenue collection
- Billing problems
- Arrears in rates

The City of Johannesburg (CoJ) has taken it upon itself to revive its economic activity and to attract investment back into the inner city. An Inner City Regeneration Strategy has been formulated to raise and sustain private investment in

the inner city, which would lead to rise in property values. According to the Mid-Term Mayoral Report (2000-2003:84) this strategy is based on five pillars:

- Intensive Urban Management, which includes the provision of high quality services, strict enforcement of bylaws.
- Upgrading and maintenance of infrastructure to attract business, improve quality of life for residents
- Provision of support to different economic sector
- Address 'sinkholes'- properties that slummed, abandoned, overcrowded, or poorly maintained, they are vulnerable to crime and they can pull down adjacent properties and city blocks by creating a disincentive to private investment and blocking sales. Some reasons attributed to the development of sinkholes include poor urban management, poor collection and payment of rents which in most cases result in unpaid municipal services
- Encourage 'ripple-effect' investment. This basically involves the upgrading of abandoned, slummed buildings with an impact of lifting adjacent areas by providing an incentive for private investment

These 5 pillars of the Johannesburg inner city regeneration collectively lead to the foundation for a well managed and growing inner city. Other initiatives in line with the 5 pillars include security improvement through CCTV cameras, markets and taxi ranks (Mayoral Report: 2003-2004: 85).



Five pillars of the Inner City Urban Regeneration Strategy. (Source: Johannesburg Inner City Business Plan: 2004)

"South Africa's urban renewal projects tend to emphasize property related interventions" (Engelbrecht, 2004: 4). In Johannesburg, this is done under Johannesburg Property Company's BBP, which acquires dilapidated buildings for renovation. Housing remains the most important physical intervention in renewal projects with exclusion areas.

Other efforts to revive the property values within CoJ include de-densifying certain areas in the Joubert Park and Hillbrow area via a large new open space investment and working with the private sector on a proposed high technology precinct. Also regenerating areas surrounding Ellis Park through major investment linked to the 2010 soccer World Cup bid, creating a government precinct, revamping high street and transitional points such as Rocky street and Claredon circle and rezoning industrial areas such as Jeppestown (Mayoral Report, 2003-2004: 86).

2.4.2 Place marketing

Another way of implementing urban regeneration can be through place marketing. This term is said to have become widespread in the 1980s in European urban literature (Paddison, 1993: 340). Paddison highlights different meanings of the term. "The practice has been primarily linked to local economic development, the

promotion of place and the encouragement of place and the encouragement of public-private partnerships to achieve regeneration in the US" (Paddison, 1993: 340). Place marketing has sought to rebuild and reconstruct the image of the city. This is linked to a strategy of targeting specific types of activity, which both reflect and bolster the image (Paddison, 1993).

The form of marketing adopted by a city can have an impact on restructuring the economy, while it excludes other groups in the process. This means that urban regeneration takes different forms and it can create winners and losers because it does not give everyone the same, equal benefits, as was the case in Baltimore. In 1941 a Citizens Planning and Housing Association was formed in an attempt to revive the area. Its role was to support economic growth and neighbourhood development. It established links with the business community and in 1955 contributed to the creation of the Greater Baltimore Committee. They lobbied and came up with an idea of building an office park. In 1964 the redevelopment of the harbour was approved but it required public funding and private investment for the construction of parks, a marine world, trade centre, a convention centre, an aquarium and a new science centre. In this strategy tourism was the redevelopment goal. (Hula, 1990: 194).

In 1971 the mayor came up with up with the idea of housing for middle classes and urban neighbourhood renewal for the downtown square. Government provided funding and assisted on the land acquisition process. The mayor's interest was on attracting new business investment so that the city would rely more on the private sector to implement renewal. Buildings such as the convention centre, Hyatt Hotel and the aquarium were managed by private sector organisations (Hula, 1990: 196).

There was uneven development in Baltimore. The urban renewal followed by the city created what Hula called the 'two Baltimore'. There was no link between downtown prosperity and neighbourhood well being. The few jobs that were created were low paying, with most inner city jobs requiring a high level of skill and qualifications and were filled by non-residents because the down town residents had little or no skills or

qualifications. Housing was upgraded for the poor while new developments were meant for high -income earners (Hula, 1990: 209).

In Glasgow, campaigns of place marketing were stimulated in the 1970s, by the necessity to attract new employment and investment opportunities to areas where traditional industries were declining. Government provided financial incentives to companies for relocating into these areas. Brochures with slogans and pictures of the area, official guides with the Mayor's speech, local history, commercial, industrial and social life of the town were made available. In Sheffield, publications in file folder with information on the population size, available buildings for rent or purchase, details of industrial activity, incentives given to the business were made available to business sector, tourists and the population (Burgess, 1982: 4).

In 1991 the British government initiated the City Challenge to boost urban regeneration. This involved local authorities putting together plans for redevelopment within their jurisdiction for the regeneration of critical areas and it was done through partnerships with business, the community and voluntary sectors. These different groups would come up with a regeneration plan and bid for government funding. The plans were required to show effective local partnerships, targeted area based regeneration strategy and an integrated approach to economic and social decline and deprivation (Oatley, 1995: 1-4).

Despite the positive effect of the strategies mentioned above, they also have potential negative effects. "City marketing is more than a mere promotion of a place used to rebuild or redefine an image of a city. Most cities resort to attracting inward investment. This is encouraged by national governments but it causes competition between places" (Paddison, 19993:339). City marketing has been criticised for its tendency to be framed in economist terms, overlooking the wider societal implications to which it gives rise. For Engelbrecht "place marketing can be detrimental to social and economic strategies because it can have an unintended

consequence of increasing negative competition between cities" (Engelbrecht, 2004: 5).

2.4.3 Urban centre upgrades

"The main features of urban centre decline include industrial regression, deterioration of the quality of public open space and poor urban management. The decline of urban centres typically manifests in economic terms through reduction in both public and private investment and in the diversity and value of business activity" (Engelbrecht, 2004: 15). The City of Johannesburg has seen a flight of capital from the central business district to suburbs on the edges. The decline of the inner city's spatial quality has been blamed on the decline of investment. As a result City of Johannesburg's urban regeneration is based on five pillars, which aim to increase property values and to improve the environment and make it more conducive to investors.

The belief within the City of Johannesburg is that ripple-pond effects will result from urban centre upgrade, leading to revival of neighbouring buildings. Engelbrecht points out that "urban renewal activities are underpinned by implicit policy assumptions that the decline of urban centres is linked to market failure arising out of the collapse of private sector confidence in urban centres" (2004: 18). Johannesburg's conditions for decline were established in the 1960s due to restricted planning decisions for parking within the CBD. The decline was exacerbated by the development of new secondary urban centres such as Sandton and Eastgate, which attracted investment away from the CBD (Engelbrecht, 2004: 15; Tomlinson et al, 2003). Within this understanding, "the primary objective of area-based intervention is to restore confidence in the private sector in urban centres, to create sustainable property markets and to restructure and diversify the local economy" (Engelbrecht, 2004: 17). Private companies and individuals interest in the area sets a virtuous cycle, where one success creates the condition for another success. Private investment results in rising land values, a stronger tax base, better services and better business climate (Mayoral Report, 2003-2004: 83).

Urban centre upgrades are carried out in the context of public-private partnerships, and they often make use of Urban Development Corporations and Business Improvement Districts. Such upgrades are funded by local government and private sector resources (Engelbrecht, 2004). The private sector "has high importance and power and outsourcing of activities to the private sector and the development of partnerships between the state and non-governmental organizations holds important implications for the management and performance of traditional local government services" (Engelbrecht, 2004: 12). Area based urban renewal initiatives in the CoJ include, the JDA who manage the following projects: Constitution Hill, Newtown Cultural Precinct, Faraday Station Precinct, Main Street, Drill Hall, Jeppestown Regeneration and Braamfontein Corridor (Mayoral Report, 2003-2004).

The City of Johannesburg has formed partnerships with the Johannesburg Inner City Business Coalition and Central Business Partnership. They aim to upgrade and stimulate investment in each of these areas. The Central Business Partnership was involved in reviewing the by-laws and provided investment in the upgrade of public environment including Ghandi Square, Main Street and the Anglo American Precinct (Mayoral Report, 2003-2004: 95).

Decision making powers and funding for urban regeneration are structured at local institutional level through local partnerships and corporations. Regional or provincial governments manage the allocation of resources for urban renewal to achieve regional economic objectives but are not involved in implementation (Engelbrecht, 2004). The CoJ has been working with the Gauteng Provincial Government in attaining its urban renewal strategies. The Gauteng Provincial Government has been supplying funding and, as an implementer of urban renewal, the CoJ has established (Johannesburg Development Agency) JDA as a corporate business unit for the implementation of urban renewal.

CoJ and Gauteng Provincial Government have made a major investment in the inner city. Region 8 has initiated programmes and projects aimed at improving services and making the inner city an attractive environment. Organizations involved in the projects include the Johannesburg Development Agency, Johannesburg Metropolitan Police Department, Blue IQ, the Metro Trading Company, Central Business Partnership, City Parks and Pikitup (Mayoral Report, 2003-2004: 83).

The CoJ inner city regeneration strategy has political ownership from within the municipality to provincial and national government. At local level, there are committees, which have been set up to help in the delivery of Region 8's renewal plans. These include the Inner City Portfolio Committee, the Inner City Advisory Committee and JDA.

South Africa's establishment of wholly government owned section 21 companies parallels the establishment of Urban Development Corporations. These are linked to the establishment of Business Improvement Districts (BIDs). BIDs were popular in the USA and Canada. In BIDs companies enter into an agreement with local government for the delivery of municipal services over and above municipal norms. BID support business and represent business, therefore they do not strive for achievement of social equity or to ensure equitable access, even though they may have taken over municipal service delivery. (Engelbrecht, 2004: 25).

2.4.4 City Improvement Districts

These are geographic areas in which the majority of property owners determine and agree to fund supplementary and complementary services to those normally provided by the municipality in order to increase investment. Supplementary services may include safety, security, pavement cleaning, litter collection and maintenance of public spaces, while complementary services may include business attraction, business retention, marketing the CID precinct and events management to bring more people to the precinct. These have been rolled out in many parts of Johannesburg and the Braamfontein central business district. CIDs are also mechanisms used to provide

funding or revenue for a variety of improvements to enhance and add value to a locality but do not replace existing local authority. Legislation allows for CIDs to raise an additional levy to be charged on all property within the defined geographical area. Income from the levy is directed back to the defined area to finance a wide range of activities (Mayoral Report, 2003-04: 89).

The city programmes include the BBP, Informal Trading Markets Programme, the Taxi Ranks Programme and establishment of CIDs (to date 67 blocks of the inner city have been incorporated into the CIDs. "Property-led initiatives have been criticized for focusing too narrowly on physical, as opposed to social aspects of renewal. Where social and economic problems are not addressed, long term sustainability has been cast into doubt" (Engelbrecht, 2004: 17).

2.5 Conclusion

There are various ways in which urban regeneration can be implemented, depending on the problems that a city has experienced. City of Johannesburg shows traits of all the regeneration strategies described above. Buildings within the inner city are being renovated; the city is promoted as tourist destinations with conference centres and show casing of heritage sites and apartheid memories. Urban centre upgrades are a focus within the city that emphasises improved urban management and by-law enforcements. In terms of CIDs the City of Johannesburg has tried to address this by constructing formal structures for informal traders and incorporation of the taxi industry.

Chapter 3

Social Housing

3.1 Chapter Objectives

The focus of South African housing post 1994 has been on individual ownership because during the apartheid years the majority of citizens were denied home ownership. As a result provision of housing post 1994 is also seen as a way of redressing the past (Fish, 2003). This chapter focuses on social housing in South Africa. Attempts are made to give a broad understanding of social housing by defining social housing, highlighting the South African government's policy legislation, the tenure options offered by social housing and alternative forms of this type of housing. The background and accomplishments of one social housing institution, the Johannesburg Housing Company, which is the case study of this research report, will be addressed.

3.2 Historical development of social housing

The provision of social housing can be traced back a long way in certain countries. In the Netherlands it was developed after World War II as a result of the housing needs during the post-war reconstruction period. In the United Kingdom it was initiated in 1960s as a result of a shift in focus from the public rental sector as the provider of low-to-moderate income housing, to a combination of private ownership, the private rental sector, housing associations, tenant co-operatives and private housing trusts, whereas in the United States it was promoted as part of a broader urban renewal strategy to address neglected urban areas (SHF, 1998).

The notion of social housing in South Africa became dominant in the transition period to democracy. "Social housing as we currently think about it has been practiced in South Africa since 1997 when Johannesburg's Seven Buildings Company developed a project which made use of the government's institutional subsidy (the institutional subsidy will be discussed later in this chapter). This project

contributed to the further development and final form of the institutional subsidy (SHF, 2000: 4).

Since 1997 social housing has been seen as a way to help to redress the spatial planning of apartheid, which located disadvantaged communities in remote areas, away from their workplace. Social housing is also seen as one of the delivery mechanisms to speed up the process of housing delivery in South Africa (Social Housing Policy, 2003). Since the 1994 democratic elections the notion of social housing provision has become part of Government's "commitment towards the regeneration of inner cities, the creation of sustainable human settlements, restoring and furthering human dignity and citizenship" (Social Housing Policy, 2003).

The commitment to housing delivery in South Africa can be seen in this country's National Housing Department, whose vision and mission is "to have a nation housed in sustainable human settlements with access to socio-economic infrastructure and to establish and facilitate a sustainable process that provides equitable access to adequate housing for all within the context of affordability of housing and services and access to social amenities and economic opportunities"(www.housing.gov.za).

- The National Department of Housing is governed by t*he Constitution of the Republic of South Africa Act (Act 108 of 1996)*, which states in Section 26(1) that everyone has a right to access to adequate housing. Other policy legislation that guides the provision of social housing in South Africa is the Social Housing Policy of 2003. According to the Social Housing Policy (2003:5) social housing must adhere to the general principles laid down in the Housing Act, 1997 (Act 107 of 1997) Part 1 Section2, and relevant sections of subsequent legislation such as the Rental Act, 1999 (Act 60 of 1999). The policy framework must be in conjunction with the White Paper on Housing (1994), the Urban Development Framework and with the National Housing Code. "In national housing terms, social housing will generate additional

spatial and human settlement benefits, while providing access to alternative housing for low income persons" (Social Housing Policy, 2003: 9).

3.3 Social housing in South Africa

Social housing is defined as "affordable, high quality and well located, subsidized housing managed by viable, sustainable, independent institutions on participatory management principles. It is aimed at low-to-moderate income families and provides different tenure options with the exception of immediate individual ownership" (Lund, Ramogayane, Poulsen and Brand, 2004: 12). According to these authors people earning R2 500- R3 500 or more are typically able to consider social housing accommodation as an option.

According to the Social Housing Policy of 2003 "social housing is not an option for the very poor". This means that people who want to secure accommodation in social housing projects have to be earning a secure income, formally or informally in order to be able to afford rent. To meet the broad objectives of integration, regeneration and for the market demand to be realized, the policy states that "social housing option should promote a mix of income groupings for both low and medium income persons" (Social Housing Policy, 2003: 5).

Social housing delivery is carried out by Social Housing Institutions (SHIs) like Cope and the Johannesburg Housing Company, which were set up in accordance with the Housing Code. "A housing institution is defined as a legal entity established with the primary objective of developing and/or managing housing stock that has been funded through the grant programmes" (Social Housing Policy, 2003: 4). These institutions usually function as private, legally incorporated bodies, mostly not for profit, in some cases they are regulated through legislation (Fish, 2003: 407).

Social Housing Institutions are also expected to:

- promote the creation of quality living environments for low and middle income residents

- reinvest their surpluses in further housing development
- consult with local government with a view to developing social housing stock within the framework of the IDP of the areas within which they operate
- consult residents through meaningful participation, inform residents on issues relating to consumer protection
- initiate accreditation application and to comply with the accreditation of social housing stock within the framework of the areas which they operate (Social Housing Policy, 2003: 15)

The growth of organizations and institutions promoting social housing according to Fish (2003: 405) has been influenced by:

- deterioration of inner city buildings
- desire for a mechanism where neither the state nor private sector is the managing agent
- the need for institutional support for urban regeneration which social housing is seen to promote
- the advocacy of labour movements to provide alternative ownership
- the advocacy, technical and financial support role played by local and international NGOs

The role of SHIs is to develop housing stock for beneficiaries by providing them with a variety of tenure options. According to the Social Housing Foundation Tenure Options for Social Housing Projects Report (2000: 20), the tenure options available for social housing are as follows:

- Rental: The beneficiary pays rent on a monthly basis and signs a lease agreement with a housing institution. The beneficiary may be given an option to purchase the room after the expiry date of the lease or four years after the occupation date
- Instalment sale: This option offers the purchasing beneficiary the option to pay prices with interest in monthly instalments over a period of less than four years, with interest calculated at market related rate

- Share block The beneficiary may purchase a share block in the share capital of the institution and would then be required to sign a user agreement which entitles him or her to the exclusive use of the property to which the share block is linked. The condition for a share block agreement is on the basis that the total amount payable by the beneficiary, with interest, must be paid over a period of not less than four years
- Co-operative collective ownership: The housing co-operative owns the property and co-operative members collectively own the institution through the shares they hold. Membership rights include the right to occupy a unit in the co-operative

The social housing sector emerged as an attempt to provide affordable, quality housing for the poor, based on the argument that this non-profit sector would be able to deliver and manage rental housing stock at lower prices than the private sector (Oelofse, 2003:242). People who stay in social housing projects qualify for an institutional subsidy from the government. The institutional subsidy is provided to people who earn less than R3 500 per month, to stay in social housing projects. "The subsidy amount is disbursed in the name of the institution and not in the name of the beneficiary with immediate individual ownership. The institutional subsidy does not allow beneficiaries to take individual ownership or transfer of the property to a family for at least four years after the date upon which the household took occupation for the first time" (Social Housing Foundation Tenure Options for Social Housing Projects Report, 2004: 18).

According to SHF (2000: 8) "the institutional subsidy covers about 30 per cent of the total costs of developing a housing unit and social housing institutions struggle to find ways to fund the remaining 70 per cent in ways that keep rentals affordable". Social housing institutions have to look for funding from various sources to supplement the institutional subsidy. SHF suggests that another way of dealing with this problem is 'for the government to raise the qualifying income limit of the

subsidy, as this will enable institutions to develop units for which they can charge higher rentals and thus cross –subsidise other units" (SHF, 2000; 8).

3.4 Types of social housing projects

In his research report Oelofse looks at different kinds of social housing. The first type of project is those implemented by private investors for social purposes. This usually involves a private developer who purchases a derelict or sub-standard residential or commercial building using the institutional subsidy, upgrades the building and fills it up with the tenants who fall within the subsidy allocation criteria. Many of these organizations use their own top-up finance to supplement the institutional subsidy and to develop the project. Their investment returns are derived from the rentals they charge (Oelofse, 2003: 239)

The second type projects managed by social housing institutions such as Johannesburg Housing Company, COPE Housing Association and Badiri Housing Association who were set up for the purpose of delivering and managing social housing on a long term basis (Oelofse, 2003: 239). The third kind of project is the tenant based management system where tenants organize themselves and register a company to purchase the building and to access the institutional subsidy. Tenants appoint building managers to upgrade and manage, but the subsidy is insufficient to fund the purchase and upgrade. This means that tenants should find alternative sources of funding such as individual funding. They also need to cover building costs, management, rates, charges and salaries (Oelofse, 2003: 240).

Oelofse points out that although social housing institutions are dedicated to delivering and managing inner city housing of acceptable standard and these forces them to charge rentals, which people earning less than R1 500 per month cannot afford. "The result of this is that the poorest are excluded from this form of social housing, thereby undermining the principle of distributing resources to benefit the least well-off" (Oelofse, 2003: 240). The distribution of resources has been a popularly used term in government post 1994 with aims to make resources available

to those who were excluded deliberately. These resources could range from quality of education, houses, water, electricity, roads and sanitation.

Those who are less well off cannot afford the rentals because social housing is under political pressure, particularly from government to provide housing of a very high standard. As a result of this Social Housing Institutions shift up-market to accommodate people with higher incomes because these institutions cannot provide housing of this standard for the poorest inner city residents who would not afford the monthly rental (Oelofse, 2003).

As a result of the inability of people with low income to afford social housing rental, alternative forms of social housing, which can accommodate low-income earners, have been explored. "Transitional and communal housing models have become affordable options but they are still on a small scale for very low-income families in South Africa" (Lund, Ramogayane, Poulsen and Brand, 2004: 5). These authors point out that social housing has become unaffordable to the lower end of its target market. The housing conditions in which people stay in the inner city shows that there are affordability constraints within the housing sector, including social housing. It shows that there is a need for affordable social housing options.

"The research found that transitional and communal housing caters for low income and in some cases destitute people" (Lund et al, 2004: 6). Lund et al identified transitional and communal housing as alternative forms of social housing. Transitional housing is defined as "temporary accommodation in and around the inner city for people who are in transition between homelessness and permanent accommodation". Short-term tenure and empowerment training are key characteristics of transitional housing. Communal housing is defined as "an affordable rental form of social housing accommodation. Long-term tenure and shared facilities are key characteristics. Both transitional and communal housing projects are subsidized through government housing subsidies and are managed by institutions (Lund et al, 2004: 12).

Transitional housing can cater for people earning from R450 but less than R2 500 more per month or more. It was agreed in Gauteng that the period of stay within transitional housing could be longer than six months but not longer than 24 months. Communal housing caters for people earning R 1 250 – R 2 500. According to Lund et al, this type of communal housing is for those who struggle to afford social housing options. It can be seen as complementary to the social housing options as residents in this accommodation are likely to move to social housing once their options improve (Lund et al, 2004: 14).

Lund et al (2004) identified the following transitional and communal projects within the City of Johannesburg:

- Cornelius House offers a communal housing option. It is a converted warehouse on the southern part of the Johannesburg central business district.
- Douglas Rooms is communal housing owned by the Johannesburg Housing Company, located in Troyeville. The lease is open-ended for employed people earning less than R3 500 per month.
- Ekuthuleni is a transitional housing project in Joubert Park. When it was established in 1999 the Mayor of Johannesburg acted as a patron and guardian of the project. Residents had to earn less than R1 250 per individual or R2 500 per household per month. The lease one-year with a provision of maximum extension of six months.
- Florence House is a transitional housing project in a former hospital building on the edge of Hillbrow. Residents had to earn less than R1 250 per individual or R2 500 per household per month
- Immaculata Hall is welfare orientated transitional housing project in Rosebank run by a faith based organization. It accommodates the homeless, destitute and unemployed people. During the writing up of the report the rental charge was R3 a day, or R90 a month and residents had to earn less than R500 per month.

The city of Johannesburg have a large population and these alternatives to accommodate low income earners is very limited at scale to address the plight of people who cannot afford to pay rental in social housing units nor afford to own houses.

3.5 The social housing policy review

The National Minister of Housing called for a review of the social housing policy of 2003 which was released in September 2004. One of the key issues raised was a lack of a clear focus of social housing. The 2003 policy targets low-middle income earners. The revised definition describes social housing "as a mechanism to provide accommodation for low income households…" (Social Housing Policy Review, 2004: 2). The revised version clearly defines housing as an option for low income earners because they cannot afford rentals.

The Review Policy pronounces the policy objectives of social housing more than the 2003 policy. Social housing contributes to the objective of restructuring spatially, economically and socially. It is located in areas with opportunities for the poor, who have inadequate access to accommodation. The review policy also encourages mixed income within social housing projects. This is the strategy followed by Johannesburg Company in its buildings, of which the well-spoken one as a mixed income area is Brickfields. Income levels at this project range from R1 500 to R12 000 with 60 per cent of tenants in the lower income group and 40 per cent in the middle- to- high levels (The Star February 17 2005).

3.6 Johannesburg Housing Company (JHC)

The mission statement of JHC reads as follows "the Johannesburg Housing company is committed to regenerate the Johannesburg inner city through the provision of quality, value for money accommodation and service for all who choose to live there, in a manner that is both sustainable and promotes growth" (www.jhc.co.za).

JHC was established in 1995 as an unlisted company to deliver affordable rental housing in the inner city of Johannesburg. In 2001 it was converted to a Section 21 company, not for gain. Its first major shareholder was Kagiso Trust, joined by the New Housing Company as a second and minority shareholder in 1996 (The Star, 23-03-2005).

In 1996 JHC purchased San Martin, in Joubert Park, as its first building. In mid-2000 JHC successfully secured a loan from Absa on the back of a commitment from JP Morgan, to subsidise the interest on a formal South African bank loan. This was the first commercial loan granted to a social housing organization in South Africa since the redlining days of the CBD in the 1990s by banks (The Star, 23-03-2005).

According to communications and marketing manager of JHC, Dombolo Masilela, "JHC works from the concept of social entrepreneurship and it strives to balance its parallel concerns of social responsibility and long-term financial sustainability" (The Star, 23-03-2005).

As part of its social responsibility to its residents, JHC has several programmes within some of its buildings to empower the lives of residents. It also runs Makhubu a Matala, a community development initiative aimed at empowering tenants. It runs courses in counseling and childhood development and courses in bricklaying and building for unemployed tenants who then help with the construction and renovation of JHC buildings (The Star, 17-02-2005).

Over the past ten years JHC has renovated existing and constructed new buildings within the inner city of Johannesburg. To date JHC has delivered 3 400 one-two and three-bedroom housing units in 20 buildings across the inner city. These housing units are in Troyeville and Jeppestown on the eastern edge, through the near-city precincts of Joubert Park and Hillbrow, in the CBD itself, and in Newtown and Fordsburg in the west, making up 8% of inner city housing (www.jhc.co.za). Refer

overleaf to a map showing the location of JHC owned buildings in the inner city and the target area of eKhaya Neighbourhood Programme.

3.7 eKhaya Neighbourhood Programme

JHC is currently facilitating a pilot project called the eKhaya Neighbourhood Programme in Pietersen Street, Hillbrow. According to JHC's marketing manager Dombolo Masilela, "tenants are safe within our buildings but often cannot walk safely outside". The JHC decided to bring together 26 out of 33 landlords in the area to start talking about mutual problems, such as crime, bad buildings, lack of facilities and dirt to find solutions with the assistance of the city, its utilities, the Johannesburg Metro Police and the SAPS (The Star, 14-03-2005).

In an interview with Dombolo Masilela, the following information about the eKhaya Neighbourhood Programme were stated: the stated aims of the eKhaya Neighbourhood Programme are to clean up the area and make it safe and habitable for the tenants, to encourage and sustain economic and social well-being of residents, workers and visitors so that the area can be seen as an investment node which attracts and protects the financial investment of individual homeowners, large property owners, small and large businesses, financial institutions, private and public investors (The Star, 14-03- 2005)

3.8 Conclusion

The social housing policy states that social housing is an opinion for low-to-middle income earners. It also points out that such a housing option should not be restricted to the above mentioned income band. It is evident from the accommodation situation in the Johannesburg central business district and Hillbrow area that social housing is provided at a very small scale. Alternative forms of social- transitional and communal options, which are a much cheaper option as compared to social housing, are also very limited at scale.

Chapter 4

Conceptual/theoretical framework

4.1 Chapter Objectives

There are many ways of looking at the world, since people in different societies have various ethical, religious and cultural backgrounds. This chapter gives various theoretical ways applied in the field of planning. It briefly discusses modernism, postmodernism and rationality in order to give to place the research topic in the context of planning theories. This forms the basis for a way of looking at the issues of social housing and urban regeneration, especially the key role players in both fields.

4.2 Modernism and postmodernism

The debates about modernism and postmodernism will not be analyzed deeply because they are not the focus in this research. They have been highlighted to paint a picture of how society was viewed and arranged at one point in time and how this shifted in time, leading to the development of theories of seeing societies.

According to Harrison (1998) modernism is the legacy of the seventeenth and eighteenth century Enlightenment. The basic tenets of Enlightenment thought are:

- The view that knowledge of society, like society itself, can be holistic, cumulative and progressive
- The idea that rational knowledge of society is attainable
- The belief that knowledge is universal and objective
- The insistence that this knowledge is different from and superior to irrational forms of knowledge
- The optimism that this knowledge, once discovered, can provide the basis for action that will lead to the liberation and betterment of humanity (Harrison, 1998: 49-50).

"Modernism was concerned with the discovery of universal, objective truth with scientific law. It was often deeply suspicious of difference, subjectivity, human consciousness, symbolic meaning and culture" (Featherstone 1988, Warf 1993a in Harrison, 1998: 50). For Harrison "modernism consisted of a belief in rationality and progress, had a concern with uncovering universal truths and transcendent values; its two dominant religions as Science and Marxism" (Harrison, 1998: 50). The modernist seek order and have a belief that society is homogeneous with one knowledge and truth, one way of seeing things.

The shift from the modernist views of the world and society became visible during the anti-modernist cultural revolt, which began in the 1950s (Harrison, 1998:51). For philosophers such as Jean –Francois Lyotard, the arrival of postmodernism was indicative of a fundamental shift in the condition of knowledge. "This postmodernism view is usually understood as a competing world view, a challenge to modernism, because it emphasizes human consciousness, symbolic meaning, the importance of language, local differences, cultural and gender diversity" (Harrison, 1998).

4. 3 Rationality

Rationality is "a way of thinking about problems, a type of logic related to the concept of rationalism, which has been a central theme of western thinking since the renaissance. Rationalism is identified with a scientific approach to analysis and with a particular way of problem solving. The rational model requires people using it to consider what they ought to do in the light of what is it they want to accomplish" (Alexandra, 1998:11).

"Rationality requires the systematic consideration and evaluation of alternative means in the light of the preferred goals they are to achieve. Rationality is value-neutral because it is not associated with any particular value, though it demands consideration of values. It is a way of choosing the best means to attain a given end" (Alexandra, 1998:11).

One type of rationality is substantive or value rationality, which includes evaluation and choice between goals as well as relating them to individual's, organization's or society's ultimate values (Alexandra, 1998:11). Alexandra (1998: 18) goes further to caution that "one person's rational choice is still a step away from the common rational choice of any societal group". This type of rationality is said to be particularly important in planning which usually involves multiple and often conflicting objectives. A city like Johannesburg has different racial, ethnic, cultural groups because of the movement of people into cities due to various factors such as urbanization, migration; which can be attributed to globalization and wars across the globe. This means that one person's type of logic or way of thinking can not be representative of the logic of the whole society, because people have different historical backgrounds, culture, religion, needs and wants.

Hebert Simon suggests that 'no real decision-making can meet the demands of rationality: complete decision-making information and the simultaneous consideration of all possible alternatives' (Alexandra, 1998: 20).

4.4 Multiculturalism

It is the major socio-cultural forces at work in cities that are dramatically changing and reshaping the urban landscape, into an exciting hybrid fusion of various groups of people, differing agendas, and great social and economic diversity (Sandercock, 1998). In situations of multiculturalism, Hebert Simon suggests that 'no real decision-making can meet the demands of rationality, complete decision-making information and the simultaneous consideration of all possible alternatives' (Alexandra, 1998: 20).

4.5 Communicative rationality theory

The communicative approach originated from the work of Jürgen Habermas. "He appealed for a turn toward reasoning formed within inter-subjective communication as opposed to an individualistic subject/object conception of reason. Habermas understands reasoning as mutual understanding arrived at by particular people in a

specific time and place and reason is contextual and historically rooted for him" (Dinath, 2002: 52).

"Communicative action theory argues that planning decisions should be reached through collaborative processes involving all stakeholders, and conforming to particular rules which ensure that participation is fair, equal and empowering. This approach makes the assumption that community divisions can be overcome and consensus can be reached on planning issues, that collaborative process involving primarily civil society-based groups can act to put pressure on the state to act more responsibly; and that collaboration can provide a learning environment and can serve to build social capital with communities" (Watson, 2003: 397).

Several planning theorist such as Patsy Healey and Leonie Sandercock have been influenced by Habermas, but they have attempted to move beyond the above assumption. Healey (1992:152) acknowledges that communicating groups may operate within 'different systems of meaning', which means that 'we see things differently because words, phrases, expressions, objects are interpreted differently according to our frame of reference', even for Healey, the assumption remains that these differences can be overcome through debate in a consensus-seeking process (Watson, 2003: 398).

Historically in South Africa, black, Indian and coloureds people were dominated by white people, who marginalized them spatially, economically, politically and in terms of access to resources. For Sandercock (1995:78-79) "we are being challenged in the city by frontiers of difference…We must listen to these voices, for they are not only telling us what is wrong with our cities but also what is wrong with our way of looking at the world and they provide clues as to what might be better ways of dealing with both".

In Vanessa Watson's interpretation, Leonie Sandercock (1998a, 1998b, 2000) acknowledges diversity, with her main point of departure being "that citizenship is

fragmented by identity, and that society is structured by culturally different groupings based on sexuality, ethnicity, gender or race. This diversity requires be celebrating rather than repressed and the claims of different groups need to be reorganised and facilitated" (Watson, 2003: 398). For Watson, the difference with Sandercock's work is that she is concerned to build consensus between groups, which affirms and valorises difference rather than erases it, with a belief that culturally different groups can reach consensus (Watson, 2003).

4.6 Rationality and power

Nietzsche, Foucault, Derrida argue that communication is at all times already penetrated by power: power is always present, says Foucault (1998b: 11, 18). "It is therefore meaningless to these thinkers to operate with a concept of communication in which power is absent. For students of power, communication is more typically characterized by non-rational rhetoric and maintenance of interests than by freedom form domination and consensus seeking. In rhetoric, validity is established via the mode of communication-for example, eloquence, hidden control, rationalization, and charisma, using dependency relations between participants-rather than through rational arguments concerning the matter at hand" (Flyvbjerg & Richardson, 2002: 47).

In his writings, Foucault rarely separated knowledge from power. "We should admit that power produced knowledge …that power and knowledge directly imply one another; that there is no power relation without the correlative constitution of field and knowledge. For Foucault, then, rationality was contingent, shaped by power relations, rather than context free and objective" (Foucault, 1979:27 in Flyvbjerg & Richardson, 2002).

"Understanding how power works is the first prerequisite for action, because action is the exercise of power" (Flyvbjerg & Richardson, 2002: 54). Patsy Healey addresses the problem by emphasizing the permeation of power into communication: "communicative acts contain assumptions and metaphors, which by conveying

meaning, affect what people do. These assumptions and meanings may carry power relationships or structure within them. In turn, the ways communicative acts are created and used help sustain or challenge power structures (Healey, 1992b: 10). For Healey power should be used in a positive way.

In his 1998 article power has rationality that rationality does not know; Friedrich Nietzsche came up with ten propositions to describe the link between rationality and power. He cautions that these propositions cannot be seen as general theory, but they can serve as useful guidelines for researching rationality and power in other settings.

Proposition 1: power defines reality, meaning that power concerns itself with defining reality rather than with discovering what reality is, power defines what counts as rationality and knowledge and thereby what counts as reality and that power defines and creates concrete physical, economic, ecological and social realities (Nietzsche, 1998: 227).

Proposition 2: Rationality is context dependent, the context of rationality is power, and power blurs the dividing line between rationality and rationalization (justification).

Proposition 3: Rationalization (justification) presented, as rationality is a principal strategy in the exercise of power. Those who possess power are able to justify their actions and they are able to make themselves heard by others.

Proposition 4: The greater the power, the less the rationality. Kant said the possession of power unavoidably spoils the free use of reason. Those who have more power can act without much need to justify their action, because they possess power, they construct what is real or what matters to them as thee way to do things. The absence of rational arguments and factual documentation in support of certain actions may be more important indicators of power than arguments and documentation produced.

Proposition 5: Stable power relations are more typical of politics, administration and planning than antagonistic confrontations. Michel Foucault characterizes power as dynamic and reciprocal, meaning that stable power relations can at any time evolve into antagonistic confrontations and vice versa. When antagonistic confrontations occur they are quickly transformed into stable power relations. The result is that the issue of shaping politics, administration and planning are defined more by stable power relations than by antagonistic confrontations.

Proposition 6: Power relations are constantly being produced and reproduced. This means that in all interactions, those who have power want to keep it, while those who do not have it strive to gain it.

Proposition 7: The rationality of power has deeper historical roots than the power of rationality

Proposition 8: In open confrontation, rationality yields power. In open confrontations, actions are dictated by what works effectively to defeat the adversary in the specific situation. Rationality yields completely or almost completely to power because it is here in antagonistic confrontations that naked power can be exercised.

Proposition 9: Rationality – power relations are more characteristic of stable power relations than of confrontations. Rationality – power relations are able to legitimately gain consensus in decision than power –power relations. Stability in relations does not imply justice because groups do not necessarily have equally balanced power relations; there is always a group, which exercises more power than others.

Proposition 10: the power of rationality is embedded in stable power relations rather than in confrontation. The force of reason gains maximum effect in stable power relations characterized by negotiations and consensus. Hence, the power of rationality can be maintained only insofar as power relations are kept non-antagonistic and stable. Special interest groups have more freedom to use naked power when dealing

with a democratically elected government because such government is formally and legally based on rational argument and is constrained to operate within the framework of stable power relations. This gives way to inequality between rationality and power. Interest groups can then exercise antagonistic behaviour wherein government can only intervene when these parties break the law.

4.7 Conflicting rationalities

It is emerging from the above arguments that people have to acknowledge difference and embrace it because society is not homogeneous; therefore there is no one public interest.

In her work Conflicting Rationalities: Implications for Planning Theory and Ethics (2003: 369), Watson's main argument is that current planning theories which attempt to respond to diversity, difference or multiculturalism are still unable to comprehend the very real clash of rationalities which so frequently occurs when plan or development project touches the lives and livelihoods of households and communities.

The point Watson makes above draws inspiration from the issue of power, about which Flyvbjerg (1998:2) argues that 'rationality is context dependent and that context of rationality is power". Flyvbjerg and Richardson (2002) argue that Jurgen Habermas's communicative theory is problematic because it hampers an understanding of how power shapes planning by failing to capture the role of power in planning. For these authors, Habermas's theory of communicative rationality is orientated towards an ideal speech situation where validity claims are based on consensus amongst equal participants, and the negative, distorting effects of power are removed. The question they pose is "whether one can meaningfully distinguish rationality and power from each other in communication and whether rationality can be viewed in isolation from power?" (Flyvbjerg and Richardson: 2002)

Watson makes a point that in social, economic and political interactions, there are multiple cultures at play and all the different groups have different ways of seeing and interpreting things and with their different backgrounds they have different interests. Within these interactions there are power relations, hence, conflict in people's interests and rationalities. Madanipour (1996) says that an understanding of urban space requires that we examine it from a view of politics and economy where networks of money and power function to create built environments (Dinath, 2002: 20).

4.8 The Johannesburg case

"Political process (not rational) is a vehicle by which most planning proposals are adopted and implemented. Political process blends values of individual and group participants through organization, commitment and power as well as bargaining, cooperation and conflict resolution" (Alexandra, 1998:19). Within the context of this research there are different groups involved and affected by the inner city regeneration and social housing in the CoJ.

First there is the local government structure in the form of the Johannesburg Metropolitan Council or CoJ. The vision of CoJ is to become an African world-class city. This is to be attained through a long-term strategic plan called Joburg 2030, whose main focus and interest is economic growth, attraction of more investors through improvement of technology, transport systems and development of retail districts and cultural precinct and revival of inner city or Central Business District. Property-led economic development is also part of the strategy, led by the Johannesburg Property Company through the Better Buildings Programme.

There are also private companies that are in partnership with CoJ in attaining its vision; the main aim of the private sector is to offer certain services in return for maximization of their profit.

The CoJ's population is also affected by the decisions made by the municipality. There are people from across the other eight provinces and many others who have migrated to the city form central African countries for various reasons. There are citizens who are unemployed, those with low-income, the homeless, those staying in dilapidated buildings in the inner city because the rent there is cheaper, the place is next to amenities such as transport, hospitals and offer a better chance of securing employment. Despite the citizens' different backgrounds, beliefs and reasons for coming to Johannesburg, they all have an interest and hope of securing a better life for themselves.

Social housing provider's performance is judged according to their management of their buildings, specifically their arrears rate. These social housing institutions are meant to accommodate low to middle income earners but they are found to be accommodating people in the higher income band. The reason for this might be to ensure that they have minimal or no arrears that would be high if they were dealing with those in the low-income band. The Johannesburg Housing Company like any other social housing provider has an interest in sustaining its business.

"In most groups the choice of what and when action is to be is strongly affected by relative status or power of participants and the final issue is often effective decided by the person with the most clout. The apparently fair process of voting usually decides policy for the governments or corporations, but voting systems have their anomalies" (Alexandra, 1998: 19). The stated objectives of social housing is to cater for low to middle income earners while the objectives of the inner city regeneration is to make the environment, economic and spatial more attractive for the private sector, with less being said about the poor people in city.

The groups involved in the eKhaya Neighbourhood Programme, including the Johannesburg Housing Company, the Johannesburg Property Company through the Better Buildings Programme and private building owners have different reasons for existence and different aims for being involved in the programme. Despite all this

groups working together in the programme, they have different, conflicting rationalities and interests and it is assumed that there are power dynamics at play between them.

As already mentioned, the rationale for this research is to explore and understand the potentially conflicting objectives of social housing and the inner city regeneration strategy, through an analysis of the rationalities of this groups, their rationale for involvement in eKhaya and implications of this on the long term survival of low-income beneficiaries of social housing in the context of CoJ's long-term strategic goals.

4. 9 Conclusion

This chapter attempted to give perspective from planning theories on how to look at this research report. It demonstrated different approaches of the way society was structured in terms of ways of seeing. There have been shifts from an emphasis of seeing society to be uniform, to acknowledging difference. The point of acknowledging and embracing difference is very relevant today in the context of open movement of people across different countries. Within multicultural interactions there are different cultural, religious upbringings, which require communication when decisions have to be made. The theories go further to point out that within that communication process people have different power dynamics, interests and motivations. These theories put a clear picture on how to understand the dynamics of multiculturalism and interactions among various stakeholders in the development within the City of Johannesburg.

CHAPTER 5
Johannesburg

5.1 Chapter Objectives

This chapter gives a background of historical developments, which transpired between the apartheid era and post-apartheid in Johannesburg and Hillbrow. It will also provide a short context of Region 8, an administrative region of the City of Johannesburg in which the inner city and Hillbrow fall under.

5.2 Johannesburg

Just as a nation requires those who live within its boundaries to imagine themselves as citizens, a successful city requires that it residents also identify with it and feel a moral attachment to it. The city has to be re-imagined in ways that both remember the past and resist the modernist logics of states and capitalists markets (Tomlinson et al, 2003:xi).

According to Beall, Crankshaw and Parnell (2002:7) Johannesburg can be seen in a number of ways:

- As an unequal city: with the poor, middle and upper class trying to balance commitment to global competitiveness and poverty reduction
- Its economic base is in transit, the 1970s is characterized by decline in manufacturing and mining and post-apartheid era is characterized by the development of high tech hub, development of economic liberalization
- As a cosmopolitan center with a diverse population
- As an area with an expanding population: posing challenges to increased urbanization

This chapter highlights a brief history of the earliest development of Johannesburg to its current day in order to provide a picture of how the city developed to its current

day. The emphasis here is more on the spatial or residential development pattern as a way to build up to the housing issues in current day Johannesburg.

5.2.1 Progressive Segregation

The 1886 discovery of gold led to the founding of Johannesburg (Beavon, 1999; Tomlinson, Bremner & Mangcu, 2003). "By 1914, Johannesburg had swelled from a miners' camp of 3,000 diggers to a city of some 250, 000 people" (COHRE, 2005:14). Johannesburg is said to have had elements of segregation on the basis of race, class and space in its early days. Workers had lived close to work areas in the working class suburbs of Jeppe and Fordsburg or in mining compounds on mining property but the Kruger Republic's Gold Law of 1885 banned black ownership and occupation of land reserved for mining (ibid). The first removals of Africans and Indians from the city to Klipspruit, south of the city, were in 1904 (Tomlinson, Bremner & Mangcu, 2003:5)

1918 saw an increase in the number of African people in Johannesburg due to the partial diversification of the economy away from gold mining. This was not accompanied by housing provision though; Africans who were wealthier were able to purchase a plot in the only two freehold townships for black people, Sophiatown and Alexandra (COHRE, 2005: 14). The Africans who could not afford housing were housed in backyard shacks in townships, leading to slum conditions (COHRE, 2005: 14).

"The Urban Areas Act of 1924 compelled local authorities to set aside land for black occupation and formalized existing segregation policies, blacks were evacuated from municipal areas and relocated to state subsidized housing to the south of the city, to Soweto and Meadowlands. Native Urban Areas Act passed in 1929 made it illegal for blacks to rent or purchase property in the white designed areas (COHRE, 2005:15).

The local authorities became concerned with the extent of racial mixing between poor whites, Africans, coloured and Indians living in slum condition sin the inner city

because by 1931 some 1,200 white families had been registered as inhabitants of slum properties in Johannesburg. The Slum Act of 1934 was used to clear areas on grounds of health and safety and white slum dwellers were provided with alternative houses while Africans were provided with state housing in Orlando, some 30 km outside the city center.

"By 1933 the whole city of Johannesburg had been proclaimed white and by 1938 much of the black population had been moved to townships of Orlando and Orlando East in Soweto, out of 500,000 people in Johannesburg; 60,000 had been relocated" (Carr, 1990 cited in Tomlinson et al, 2003:5). Due to the Africans' housing backlog of some 42,000 units by 1942, the Johannesburg municipality built Dube, extended Orlando and Jabavu, which are part of Soweto (COHRE, 2005:14).

5.2.2 Grand Apartheid

From 1948 South Africa was to experience a different level of racial segregation for years to come. The National Party government came into power in 1948, "creating separate developments which included discriminatory legislation, influx control, and creation of ethnically based homelands, racially based administrative zones, which led to increased sprawl south of Johannesburg" (Tomlinson et al, 2003: 6). The COHRE Report points out that "by the time the National party came into power in 1948 the basic spatial outline of racial segregation was already in place" (2005:14), shown through the developments that had already taken place to separate racial groups spatially.

The new state housing developments for Africans after 1948 were based on long term leasehold or rental tenure, not ownership and the inner city was effectively segregated and zoned for white residential use and commercial activity (COHRE, 2005:16). The movement of African people and other groups in the inner city and from the rural Bantustans to the city were controlled through the pass laws.

At the end of 1960 “the state stopped the provision of standardized low cost housing in Soweto, as an effort to limit urbanization. In the 1970s there was increased overcrowding of council houses and shack developments, while the 1980s-1990s had increased squatter settlements on vacant land within and on the boundaries of Johannesburg” (Beall *et al*, 2000: 60).

5.2.3 The weakening of apartheid

Around the late 1970s racial residential segregation began to break down in the inner city. White people were encouraged by the state to own houses instead of renting. As a result there was a shortage of white tenants. Combined with the issue of lack of accommodation in the south, desegregation of the inner city accommodation set in as black people started moving into inner city buildings (Beall *et al*, 2000).

As the state’s influx control weakened, black people started moving into the inner city residential areas. In 1985, 70 per cent of white people occupied apartments in Hillbrow, Joubert Park and Berea, 25 per cent were coloureds and Indians, while black/African occupants were 5 per cent. By 1991 the proportion of apartments occupied by whites dropped to 54 per cent and to 5 per cent by 1996 while the Africans increased to 41 per cent by 1996 and 85 per cent by 1999 (Tomlinson et al, 2003: 112). The owners of buildings started to take advantage of the illegal status of black people in the inner city by charging them higher rents. This led to overcrowding in the apartment buildings as people lived in larger groups to pay less rent.

5.2.4 Transition of local government

Within the boundaries of Johannesburg there were separate municipalities in areas like Sandton, Randburg and Soweto, each with its own tax base. The shift from the separate tax bases to one tax base, accompanied by other events like the end of apartheid, marked the transition in local government.

Civic organisations were vocal in the rent boycotts; calling for arrears owed by people involved in the boycotts to be written off, transfer of ownership of houses to people, upgrade of services, affordable charges and the establishment of a single tax base for Johannesburg and Soweto were to be introduced. "Although Africans travelled and worked in the Johannesburg they did not receive any benefits from the revenue paid through commercial rates and taxes on city properties, nor did they receive cross subsidy from the affluent white residential areas. Issues such as this drove the black urban population against apartheid control" (Beall et al, 2002; Tomlinson et al, 2003).

The government that came into power in 1994 inherited a legacy of long years of racial and spatial segregation. The apartheid government had distributed resources in an unequal manner. The areas designated for white people had access to services like electricity, water, sanitation and well maintained roads, while the areas designated for black people had less or non of the resources available to whites.

Post-1994 Johannesburg was a product of broad based democratic negotiations around how best to build an integrated city. According to Tomlinson, the interim phase of local government transition began with the municipal elections and lasted until a new local government system had been designed and legislated and new local government elected. 2001 was the final phase with local government elections. "Tomlinson's periodisation of the structural transition of the interim phase of local government is from 1994 to 2001, highlights the complexity and incremental nature of the process. There was a need for the new local government to overcome apartheid and this called for a fundamental reconceptualisation of municipal boundaries, finances and institutional practices, which had to be restructured for local government to fulfill its constitutional mandate' (Beall et al, 2002: 73).

Post apartheid legislation was passed to put in place a framework for municipal planning aimed at encouraging spatial integration and compaction and equitable urban change (Emdon, 1999 cited in Beall et al, 2002). "The Development

Facilitation Act of 1995 was aimed at facilitating development of low cost housing schemes to urgently meet the settlement needs of shelter for Africans who were increasingly squatting on the urban periphery of Johannesburg and other large cities. It also required municipalities to prepare guidelines, known as Land Development Objectives (LDOs) that correspond to the principles laid in the DFA. The Municipal Systems Act, Local Government Transition 2nd Amendment required LDOs to be followed by the preparation of the Integrated Development Plans (IDPs). LDOs and IDPs now occur simultaneously and are known as IDPs. IDPs are strategic plans linked to the budget, environment protection, economic development, to be connected with priorities identified by communities" (Beall et al, 2002:80)

"The Central Witwatersrand Chamber was involved in the establishment of the local forums to negotiate the appointment of temporary local councils that would govern until municipal elections in 1995. The city had a financial crisis, which became apparent in 1997 (Tomlinson et al, 2003: 10). "In the midst of the financial crisis, the Department of Provincial and Local Government promulgated a requirement that all municipalities prepare Integrated Development Plans (IDPs). These were intended for local government to deal with scarcity through aligning their budgets and their service delivery programs through charting the way for public-private partnerships" (Tomlinson et al, 2003:10). Integrated planning is dubbed by Dear (2000) to be associated with incorporating the views of all affected parties in order to make connections between different state and private sector actions and ambitions in the urban arena (Tomlinson et al, 2003:19).

5.3 The idea of World Class status

'The issue of the financial crisis in the Johannesburg Municipality led to an appointment of a Transformation Lekgotla, which was appointed to restructure the five councils in 1998. In 1999 the activities of the Transformation Lekgotla came up with the iGoli 2002 plan. iGoli 2002 was an effort to deal with the financial crisis and institutional malaise. Its focus was on a 3 years revenue-led budget, credit control,

institutional rationalization and creating partnerships with the private sector" (Tomlinson et al, 2003:18).

The iGoli 2001 plan was replaced by iGoli 2010, which was completed in 2001. It sought to position Johannesburg as a 'globally competitive African world-class city. The mayor's review of iGoli 2010 led to the view that it was trying to be 'all things to all people' and it was replaced by iGoli 2030, which is popularly known as Joburg 2030.

Joburg 2030 drops reference to 'a globally competitive African world-class city' and calls for Johannesburg to become 'a world class business location' (Tomlinson et al, 2003:18). The Joburg 2030 strategy is aligned with the Gauteng Provincial Government's Blue IQ growth strategy. Blue IQ is a R 1, 7 billion initiative to invest in 10 mega-projects related to tourism, transport and high value-added manufacturing (ibid). The goal of the Blue IQ project is to create a 'smart province' to attract R 100 billion in foreign direct investment. The emphasis is on skilled employment with most projects sited between Johannesburg and the Tshwane CBD, thereby by-passing the needs of the communities in the south (Tomlinson *et al*, 2003:18).

According to (Beall et al, 2002:76) the developmental vision of local government (post-apartheid) is underpinned by these principles:

- Local government must decrease vast problems of poverty in every town, city and rural area by delivering services and building infrastructure.
- Local government must facilitate economic growth in their areas
- It must have a coordinated and integrated governance and the relationship between national, provincial and local structures
- Developmental local government must be democratic and participatory
- It must focus on vulnerable groups-women, disabled, youth, who under the constitution have the right of equal treatment and freedom from discrimination

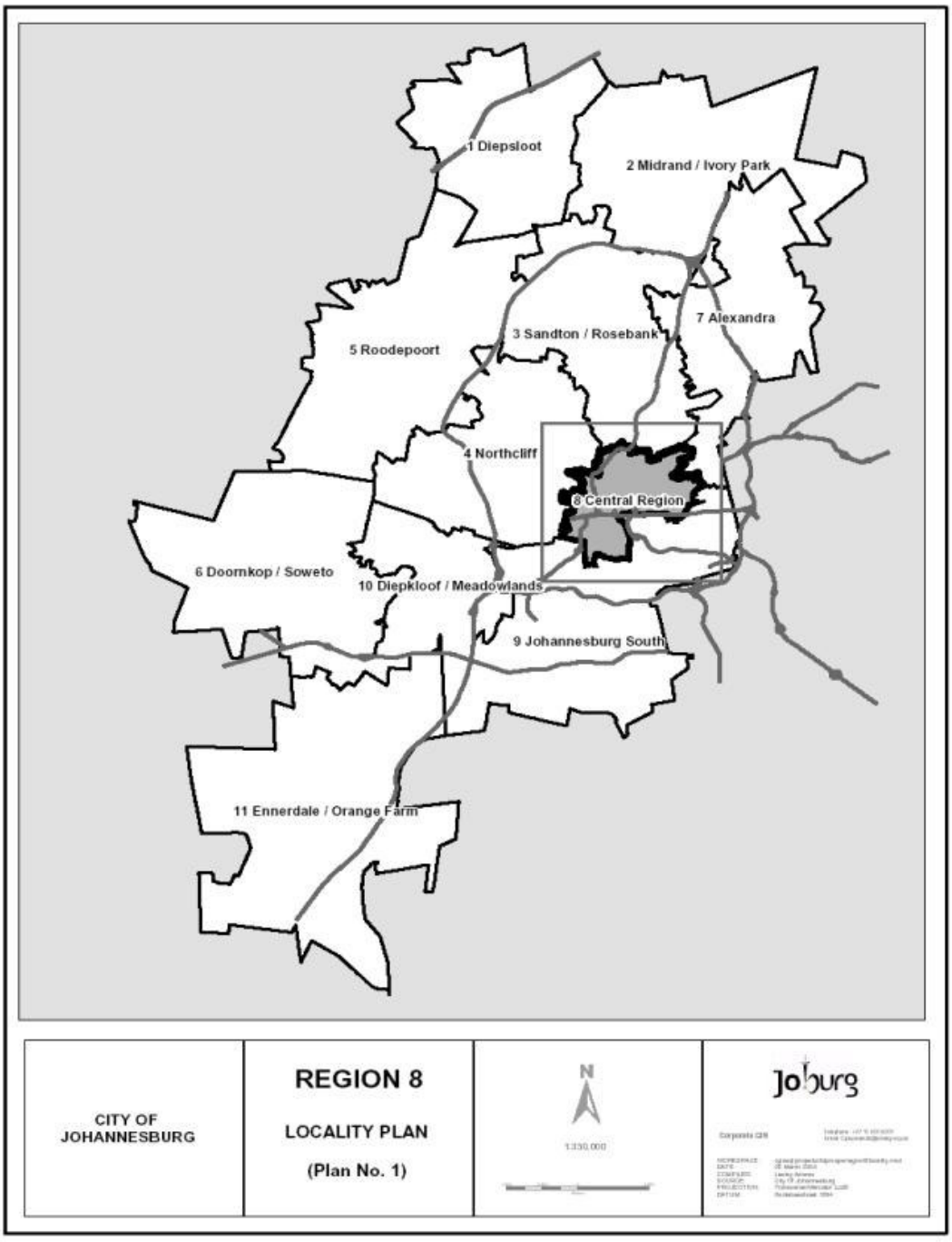
- Developmental local government is founded on the commitment of sustainable development

5.4 Region 8

Hillbrow falls within Region 8, one of the eleven demarcated Administrative Regions of the City of Johannesburg. Region 8 is the central region in Johannesburg and is home to the Johannesburg CBD and the Inner City (Refer to Map on page 67 for the location of Region 8 in the context of other administrative regions). The estimated population of the region is 220 000, although the number of people living in the inner city on a temporary basis is unknown (RSDF, 2004/05)**.**

Region 8 is also called the inner city. Some 800 000 commuters pass through the Inner City daily, and the Inner City functions as a regional employment and shopping node for residence from all over Gauteng, South Africa and other African countries with a predominance of people from the south of Johannesburg. All major arterial roads originate from this area and radiate out into other parts of the city. The main railway station (Park Station) is here, as are bus terminuses (Park Station, North Terminus etc) and large taxi ranks such as Faraday, Jeppe,Noord etc(RSDF, 2004/5).

Region 8 is an area of diverse housing quality, ranging from severely degraded residential fabric to areas that are maintaining their status by regular maintenance/ investment thus preventing degradation. The Hillbrow, Berea and Eastern areas have a very high concentration of 'flat' developments coupled with single residential housing, further eastward. These houses are usually old, neglected and derelict, and maintenance is a challenge against the rapid onset of urban decay and urban blight. Buildings in the Inner City that have reached levels of total neglect and abandonment are being squatted in and are used as slums by absent landlords. This is a concern in terms of health and safety. To deal with these problems urgent action in terms of the bad and better buildings will have to be taken (RSDF 2004/05).

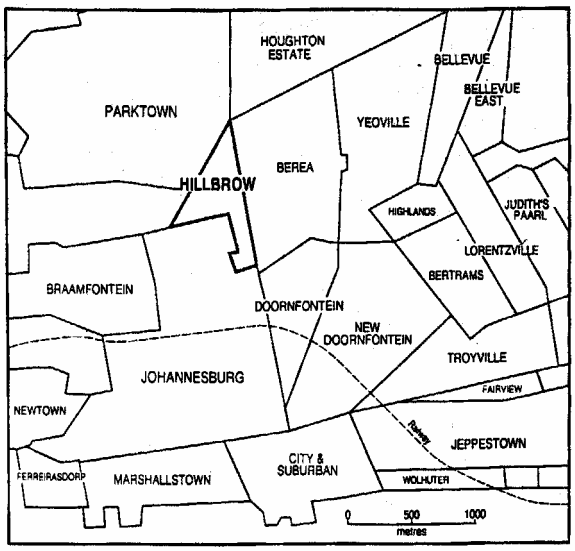


Map 2: City of Johannesburg Administrative Regions (source: Regional Spatial Development Framework 2004/05)

5.5 Hillbrow

The mention of Hillbrow invariably produces a slightly anxious titter as it always had a reputation of being a neighbourhood populated by the more deviant segment of society, and a locality where many dubious things happen (Morris, 1999). Hillbrow is a neighbourhood in the inner city, situated one kilometre from the central business district (CBD) (Morris, 1999). Spatially, Hillbrow is defined as the area bordered by the north side of Smit Street, the west side of Catherine Avenue and by the east side of Claredon (Morris, 1999:5). Refer to Map 2 for a view of Hilbrow and its surrounding neighbourhoods.

Map 2 Hillbrow in relation to surrounding neighbourhoods (Source: Morris, 1999:2)



An advertisement of the sale auction of 466 stands in the new residential area of Hillbrow was advertised in a newspaper on 24/07/1895. Hillbrow started as an area consisting almost solely of detached residential houses but this started changing in the 1920s, as new building technology allowed the erection of multi-storey buildings. In 1946 a revised town-planning scheme by the Johannesburg City Council removed height restrictions, opening a way for the development of high-rise buildings. Between 1945 and 1965 the constructed flats had increased by 250 per cent, the contributing factor to this figure was the economic boom of 1960. Between 1971 and

1973 the private houses had virtually disappeared, and were replaced by .high rise buildings (Morris, 1999: 6).

High-rise Hillbrow was constructed in the early 1950s. It was developed as a modern, small, densely populated residential suburb, catering for an urbanized white middle class (Morris, 1998: 45). In the 1950s and 1960s Hillbrow had a cosmopolitan image due to its distinct European appearance and population, which were students, new European immigrants, bachelors and young married couples.

"When the National Party came into power in 1948 it emphasised influx control of Africans and territorial segregation of different racial categories in the country. Between 1956 and 1962 it was estimated that between 800 – 1 000 people had been removed to hostels in Soweto. From the mid 1970s there was dwindling demand for Hillbrow flats by whites, coupled with an acute housing shortage for black South Africans. This set the stage for the dramatic transition in the racial composition of Hillbrow flat dwellers" (Morris, 1999: 7).

"In the early days of the development of Johannesburg, there was no legal form of tenure which allowed for the ownership of individual apartments until the late 1970s. During the 1980s most of Johannesburg's buildings were occupied by tenants rather than owners" (Crankshaw and White, 1995: 623). The 1970 census stated that there were 10 517 whites, 17 coloureds, 8 Indians and 1095 African residents in the Hillbrow area. The Africans lived on roofs of flats in servant quarters. According to the Natives Urban Areas Act of 1923 a domestic servant could live on an employee's property only if he/she was provided with adequate accommodation.

The decline of the white inner city population was further facilitated by both low house prices and the introduction of new state housing subsidies. Throughout the 1970s Johannesburg house prices declined. In the 1980s the government introduced the 'First Time Homeownership Scheme' that was a subsidy aimed only to first time homeowners and to newly built homes. This scheme encouraged young white people

to buy in new suburban areas (Crankshaw and White, 1995: 629). Hillbrow was legally reserved for white residents until 1991 when the Group Areas Act of 1950 was scrapped. Racial exclusivity started disintegrating in the late 1970s when people classified as Indians and coloured moved into the neighbourhood (Morris, 1999). Landlords opened their doors to coloureds and Indians who were seen to be as respectable as white tenants (Crankshaw and White, 1995).

The movement of coloureds and Indians into Johannesburg's inner city was reported in a newspaper at the end of 1977 (Morris, 1994:821). The movement of Indians, coloureds into Hillbrow was motivated by a shortage of housing in their designated residential areas. These groups were forcibly removed in terms of the Group Areas Act to townships on the periphery of the city. Government was the provider of housing, by providing finance to the local authority that would then purchase designated land and administer construction of houses. By 1974 a shortage of 700 homes for coloureds was reported and by the beginning of 1974 the number of Indian families which required houses was 2 300. All municipalities were instructed to stop undertaking new housing developments by the Department of Community Development due to lack of money (Morris, 1994: 821) What Morris is showing is that the Indians and coloured groups were the first ones to move into Hillbrow, and black people moved in after these groups were already in the area.

By 1978 out migration of whites increased when the Rent Control Act was lifted on all blocks of flats built after 1 January 1960. Tenants in rent controlled buildings paid lower rent than those whose buildings were not rent controlled. With the lifting of the Rent Control Act, rent control continued to apply in units where the original tenants remained and earned below a certain income; and for at least two years landlords were not to increase rentals by more than 10 per cent on buildings defined in the proclamation. Some landlords were not prepared to accept this and wanted to replace the protected tenants with black tenants, whose illegal status in the neighbourhood would mean that they would not be in a position to challenge the legality of any rent increase. Landlords adopted various tactics to push protected

tenants out of their buildings to make way for the unprotected black residents. By the 1980s rental rocketed because of high demand for flats in the neighbourhood and the illegality of black tenants (Morris, 1999: 17).

Crankshaw and White (1995) point out that inner city decay is not unique to Johannesburg, as it has occurred in the post war period in the inner area neighbourhoods of many large North American cities. In the North American cities and Johannesburg, while the inner cities decayed, the suburbs thrived. Decay in apartment buildings is defined in terms of "the breakdown of basic services such as electricity, plumbing and sewage" (Crankshaw and White, 1995: 624).

In their article, Crankshaw and White (1995) examine the relationship between inner city decay and racial transition. They point out that changes in the racial composition of neighbourhoods are usually theorised in terms of explanations to inner city decay. Conversely, explanations of inner city decay seldom tackle the question of *why inner city decay is so frequently associated with racial transition (*Crankshaw and White, 1995: 622).

In their attempt to explain inner city decay, an important part of the American scholars' explanation of inner city decay is highlighted. According to these scholars inner city decay is to be found in the changing class composition of the residential population of an area, as rich people move and buy homes in the suburbs. This leads to change in the nature of the housing market because the urban poor have no money to ensure adequate maintenance, leading to subdivision and under maintenance of houses and apartments. Most post war immigrants were black farm workers who made the inner city more black. The black ghetto is said to be further entrenched by the decline of unskilled manual jobs (Crankshaw and White, 1995: 623).

Despite the legislation on relocation, Hillbrow was one of the first areas in Johannesburg to start experiencing desegregation. Mabin 1989, Morris, 1998 argue that one of the fundamental factors leading to the desegregation of the inner city was severe housing shortage, overcrowding, poor living standards faced by all black

South Africans. Crankshaw and White (1995) argue that many people moved into the area because it had abandoned vacant accommodation and this was a suitable place for them to relocate to improve their material living conditions.

Overcrowded apartments were occupied by low income Africans and coloured tenants, only a minority of low-income tenants lived in overcrowded apartments. Crankshaw and White (1995) give a counter argument to the issue that inner city decay is caused by change in the class of people in the area. For them there is more to the causes of overcrowding and physical decay than the influx of a poorer class of African residents. They point out that it was only older apartments that were characterised by overcrowding and decay, most of them situated in Joubert Park, not in the Hillbrow district (Crankshaw and White, 1995: 633).

Apartments in the inner city were first built in the 1920s in what is today known as the central business district and in subsequent decades this high rise developments spread northwards into Joubert Park and by the late 1940s into Hillbrow and the southern part of Berea. This explains the decay in Joubert Park, which was constructed much earlier than Hillbrow. They caution that it should also be taken into consideration that the buildings there have not been replaced. The reasons why older buildings have been more susceptible to overcrowding and neglect are that the older buildings are generally more expensive to maintain and attract lower rentals; owners may simply have not had the financial means to pay for adequate maintenance (Crankshaw and White, 1995: 633).

5.6 Conclusion

This chapter has sketched a brief history of Johannesburg. It also discussed a history of Hillbrow briefly and events/factors, which contributed to its state of the city as it is seen today. The transition to local government is highlighted from apartheid to the structure of the City of Johannesburg Metropolitan Municipality and a summary of the long-term strategy of the city, which is to become a *'world class city'*.

Chapter 6

Data Presentation and Analysis

6.1 Chapter Objective

The objective of this chapter is to present information and data collected from a range of sources, including documents as well as interviews. Practitioners within social housing, urban regeneration and the municipality within the City of Johannesburg were interviewed. This chapter will also provide the context of the case study and attempt to answer the following questions:

- The objectives of social housing and urban regeneration?
- Who the beneficiaries of social housing and urban regeneration are?
- Whether the objectives of social housing and urban regeneration are in line with each other or conflicting?
- What the objectives of Johannesburg Housing Company for initiating eKhaya?
- What the implications of the impact of urban regeneration strategy are on the affordability of social housing for low-income earners?

6.2 Case study in Context

This research explores the link between social housing and urban regeneration. It attempts to understand the objectives of social housing and urban regeneration, whether these objectives are conflicting or in synergy with each other. The focus is on social housing provided by the Johannesburg Housing Company in the context of the City of Johannesburg Metropolitan Council's inner city regeneration strategy, aimed at attracting investors and increasing property values.

The city has established the Better Buildings Programme (BBP) to identify derelict buildings to be sold to new owners to renovate and manage. JHC has been

developing new housing developments and renovating existing stock identified as bad buildings in the inner city. In providing housing and rejuvenating the inner city, JHC initiated the eKhaya Neighbourhood Programme in the Hillbrow area. The target neighbourhood for eKhaya Neighbourhood Programme is the Pietersen Street area between Klein and Claim Streets and the south side of Ockerse Street and the north of Smit Street. A map showing buildings owned by Johannesburg Housing Company and target neighbourhood is provided on the next page. In this programme the JHC has brought together 26 out of 33 landlords in the area to start talking about mutual problems such as crime, bad buildings, lack of facilities and dirt. The aim is to find solutions with the assistance of the city, its utilities, the Johannesburg Metro Police and the SAPS. The aim of this programme is to make the neighbourhood safe for tenants.

6.3 Research Method

The information used to gather data was attained from primary and secondary sources. The secondary sources include books, journals, newspaper reports, research reports and the internet. Primary data was collected in the form of face-to-face interviews. People who were interviewed are representatives from Johannesburg Housing Company, Social Housing Foundation, Johannesburg Property Company, Johannesburg Central Partnership, Better Buildings Programme and Region 8. The interviews were aimed at probing the perceptions of these officials about the objectives of social housing and urban regeneration, who the beneficiaries of both programmes are intended to be and the impact of urban regeneration on affordability of social housing to provide housing for low income earners. This selection of interviews was aimed at the practitioners of social housing and regeneration, and did not include residents and other building owners due to time constraints. In this chapter the officials will be represented through letters A-G. A list of the names of the people interviewed and the organizations they work for is provided in Annexure A.

Appointments for the interviews were set up with the interviewees telephonically and questions were prepared before the meeting. The questionnaire addressed the

objectives of social housing and urban regeneration, the beneficiaries of social housing and urban regeneration and the long-term implications of urban regeneration on social housing's ability to accommodate low-income earners in the inner city.

6.4 Presentation of Findings

This section is divided into several topics in order to address the questions of this report and to present the findings from the interviews and other material. In each section the presentation of the data from the interviews will be followed by an analysis of the information presented. For discussion purposes, the information has been grouped into the following themes: target group of social housing, objectives and benefit of social housing, objectives of urban regeneration, the Better Buildings Programme, the implications of urban regeneration of tenants in the inner city, the objectives of social housing and urban regeneration, eKhaya Neighbourhood Programme and other issues arising from the interviews.

6.4.1 The target group /beneficiaries of social housing

According to the social housing policy of 2003 social housing is defined as 'a housing option for low to medium income persons that is provided by social housing institutions, that excludes immediate ownership'. Low – medium income refers to people earning an income between R 1 500 – R 3 500 (Social Housing Policy, 2003). According to this policy, those who earn R1 500 but below R3 500 qualify for the institutional subsidy that is used to fund social housing.

Respondent A (JHC) emphasized that social housing is for upwardly mobile people who want to accumulate cars and furniture before moving on to their own houses, cohabiting partners and people earning *not less than R 3 500*. The reason given for this was that when tenants move in they have to pay rent for two months in advance. This serves as security to defaulters and it caters for any damages in the building. Respondent A (JHC) pointed out that about 90 per cent people who stay in Johannesburg Housing Company buildings are employed (Interview, 23-08-2005). From this information it is clear that someone earning less than R3 500 cannot afford

to pay for the two months rent required before moving in, an amount of R3 600 for a one-bedroom flat at Brickfields for example.

Respondent B (SHF) emphasized that social housing is an option for low to medium income earners, and that the review on social housing policy completed in 2005, calls for social housing provision to focus on lower income earners. Another respondent F (eKhaya Neighbourhood Programme Coordinator) does not define social housing according to a specific income bracket. For her social housing is an option for people who can afford to pay monthly rentals in the inner city.

According Respondent A (JHC) social housing was introduced as a '*competitor to private rental companies who charge exorbitant fees. Social housing is a product introduced to bring an alternative to the formal rental sector in the city. It addresses the needs of people who earn less but want to live in a clean environment, in cities, where rental is high. It addresses the needs of upwardly mobile people who want to start up and establish themselves. It is for people who do not want to own' (*Interview, 23-08-2005).

It can be seen from this information that there is a lack of clarity between the parties interviewed on who qualifies for social housing or who should benefit from it in terms of income. While words such as 'low-to medium income earners' are used, there does not seem to be a common understanding and clarity amongst the practitioners on who the beneficiary of social housing is.

6.4.2 Objectives and benefits of social housing

The objective of social housing '*is to restructure South African cities, to make them more integrated, to lessen apartheid geography by giving good quality accommodation, which is located well next to amenities such as schools, transport nodes, etc'* (Interview with Respondent B (SHF), 19-08-2005).

The benefits of social housing as stated by the Social Housing Foundation (www.shf.org.za) are as follows:

- Densification of urban areas
- Integration of communities
- Inner city regeneration
- Greater consumer choice
- Quality living environments for low income sector
- Collective ownership
- Secure tenure
- Sustainable management
- Empowerment of communities

According to Respondent A (JHC) 'social *housing brings people to the city, close to work and this reduces their costs*'. This view is supported by Respondent B (SHF) who pointed out that *'social housing is an intervention to give good quality accommodation which is located well, with good implications for those who need it. It also offers spin-off-effects to tenants. For example it potentially has huge financial implications because it creates a shift from redlining (in cases where banks do not give financial assistance to purchase houses in specific areas) and tenants become good candidates for loans because they can give proof that they are paying rental, at an affordable price'* (Interview, 19-08-2005).

Social housing has an inner city regeneration objective. It was introduced as a way to help redress past spatial divisions. As is shown by the interviews, 'social housing makes the city more integrated and lessens apartheid geography' (Interview with Respondent B (SHF), 19-08-2005). During this interview it was also pointed out that *'social housing is a restructuring intervention, a way of restructuring the city spatially, economically, racially and it ensures access to opportunities for previously disadvantaged individuals'*. It is meant to give access to people who have been marginalized racially from resources offered within the city.

'*The major angle in social housing is the regenerative effect of the city which has experienced degeneration, poor conditions and management of buildings, an exodus of buildings leaving for the north in the past 20 years. Social housing developments bring people into the city, people who are able to spend in the city and thus, revive the city's economy* '(Interview with Respondent A (JHC), 23-08-2005).

There is an agreement from the perspectives of the different practitioners that social housing has a regenerative impact on the buildings in the inner city and is linked to the approach of integration within cities in the sense of bringing people close to economic, social and physical amenities such as close proximity to transport, workplaces, shops, hospitals, schools and entertainment centres.

6.4.3 Objectives of urban regeneration

The Johannesburg inner city went through a period of business flight from the inner city in the early 1990s. This resulted in major businesses relocating their offices to the suburbs and some building owners absconding from maintaining their buildings. According to the Johannesburg inner city regeneration and the Mayoral Report (2003-2004), regeneration in the inner city of Johannesburg is based on addressing five pillars, which are:

- Intensive urban management
- Upgrading and maintenance of infrastructure to attract business and improving quality of life for residents
- Addressing sinkholes, which are slums, abandoned or overcrowded buildings
- Encouraging ripple-effect investment. This involves upgrading of abandoned buildings with an impact of lifting adjacent areas by providing an incentive for private investment.

The main objective of the CoJ in addressing the five pillars is to '*raise and sustain private investment leading to a steady rise in property values'* (Johannesburg Inner City Regeneration Strategy Business Plan, 2004-7:10).

According to Respondent G (Region 8) '*urban regeneration is aimed to create a cleaner, safer environment for all who live, work, play and visit the inner city, which has businesses and serves as a tourism centre' (Interview 26/09/05).* According to the Respondent A (JHC), her company is optimistic about regeneration of buildings in the inner city. *'This will turn the city into a 24/7 city and if all role players came in it will succeed, the objective for all of us is one, to revitalize the inner city'* (Respondent A interview: 23-08-2005). For respondent E (JCP) the objective of urban regeneration is to revive the economy. Respondent C (JPC) pointed out that urban regeneration has an important place in the inner city to address flight of business and rejuvenate buildings. She also expressed the view that urban regeneration is not only about providing housing, but is also a holistic approach to get the city into a functioning state by 2030, with all types of housing where the poor, earning less than R1 500 and rich can work and live, surrounded by parks, shops and recreation clubs.

According to Respondent E (JCP) 'In principle everyone should benefit from regeneration but there may be specific areas or issues that could be handled differently. I think more thought should have been given to the urban poor in the strategy. I appealed for a fifth pillar Social Issues to be added to the five pillar strategy but was told that social issues are under each of the five, my point is that if it isn't on the diagram nobody does anything. I also don't think that the manta "An African World Class City" is of any value at all – what does it mean? Other cities set their Vision Mantra in something concrete that you can work towards – The Tourism City – The Cultural City – etc'.

What this subsection indicates is that there is a consistent view on the objectives of urban regeneration in Johannesburg. The parties interviewed indicate that urban regeneration is for all people who live in the city. A concern was raised though that the regeneration strategy does not have any specific policy to address the poor.

6.4.4 The Better Buildings Programme

Some buildings in the inner city can be described as sinkholes- slums, abandoned and overcrowded. The Star (05-04-2005) reported on a syndicate running the property hijacking operation within the inner city of Johannesburg. According to the report the syndicate is highly organized and monitors all empty buildings around the inner city. Some of the hijacked buildings are reported to be unfit for human habitation with no water, sanitation or electricity. The rental in this to buildings starts at R 400 a month. The process that the syndicate uses to take over a building involves intimidation of guards and tenants. The syndicate "collects rent for six to eight months knowing that the legal system is slow and by the time the owners obtain an eviction order they have enjoyed the benefits of the monthly rent. A lot of people are ripped off in the process because they pay rent not knowing who they pay it to" (The Star, 05-04-2005).

The illegal occupation of buildings in the inner city was a problem raised by Respondents A, C, D, F and G during interviews on separate occasions. Respondent A (JHC) felt that '*the City of Johannesburg is doing a good job in reviving the buildings but they need to address the hijacking of buildings because this is a drawback. Respondent A described some of the buildings in the inner city to be in a bad state because they are not maintained and they pose a security risk for people staying inside them. "Most buildings have self-made owners and it is a violent type of environment. As long as by-laws are not well implemented owners will turn their backs on buildings, which are hijacked. Council needs to address this for us to move forward' (*Respondent A interview, 23-08- 2005).

In the quest to rejuvenate buildings the City of Johannesburg established the Johannesburg Property Company (JPC) in 2000 to carry out property development, property management services and all ancillary services to the above mentioned. The JPC has a unit called the Better Buildings Programme, which is responsible for identifying derelict buildings in slum condition, some of which have been abandoned by their legal owners and have high debts. As mentioned earlier when the council

takes over the building the debt is cancelled. According to Respondent C (JPC), once a building has been identified the Council embarks on legal processes to take the building from its owner (s). When the building is on the market for new ownership the Council is looking for '*good strong management companies or individuals who will invest by putting money to renovate the building, to help in by-law enforcement through meeting occupational health requirements in the building'* (Interview with Respondent C (JPC), 31-08-2005).

After a bad building has been identified and bought by a new owner the people who are squatting in the building have to move out for the new owner to be able to renovate the building. When asked about the process of evictions and where the tenants go, Respondents C and D (both from JPC) quickly pointed out that the Council does not carry out the eviction of tenants. The office of the sheriff does the evictions. They both mentioned that when a new owner takes over a building it is up to the tenants to negotiate with the owner to stay on. It is clear that all respondents agree that the Better Buildings Programme is a good programme. Contrary to this a report compiled by Centre on Housing Rights and Evictions (COHRE) in 2005 argues that 'accommodation resulting from the better buildings often comes at rentals that are well beyond the means of the evicted occupants', because by the time the renovations are completed the occupants would have been forced to seek accommodation elsewhere.

The BBP has been doing a good job of managing the transfer of dilapidated buildings in the inner city to new owners who are expected to manage the buildings effectively and efficiently and to abide by the city's by-laws in terms of meeting the health and safety occupation standards.

6.4.5 The impact of urban regeneration on the lives of tenants in the inner city

According to Respondent B (SHF) the Better Buildings Programme is a good start from the Council because there have been lessons drawn from the programme, which

has made stakeholders aware that refurbishment comes at a high financial cost and generally improves the environment around the buildings.

Respondent B (SHF) also expressed the view that urban regeneration has winners and losers. '*The winners in the process are few but they have more finance and power. The poorest of the poor are losers because they are evicted when the buildings they are living in are improved. Some are driven out of the inner city to informal areas while others may be forced into worse off housing conditions in the inner city due to desperation'* (Interview, 19-08-2005).

For Respondent B (SHF) moving out of the inner city to the periphery raises problems for these tenants to access economic opportunities. Some of the tenants who are evicted do not have transitional, communal housing or other housing options to cater for them. From the interviews with Respondent C, D and G it became evident that evictions are carried out as a last resort. All of the above Respondents pointed out that the once a building has been identified as a bad building, the inner city task force goes into the building to do occupational health and safety inspections. After that the inspectors give the owner time to renovate and bring the building up to a correct standard of occupation and compliance with safety requirements.

If the improvements are not done within the given time, the issue goes to the high court and letters are issued to notify tenants to move out. It also became evident from the interview that new owners are under no obligation to offer alternative accommodation to tenants who have been served to move out.

The issue of whether people move or stay is handled differently by new owners. The JHC has thus far acquired six buildings through the BBP within the inner city and areas of Hilbrow. Renovations for Lake Success in Hillbrow were completed in 2002. According to Respondent A (JHC) *'the tenants who were living in the building were asked to leave during the renovations but as soon as the renovations were completed they were given first priority to return to the building. When they moved out they*

were offered alternative accommodation in buildings owned by the JHC and transport was provided to take them there'. Another building acquired through the BBP is Smitshof, also in Hillbrow. According Respondent A (JHC) about 90% of the tenants in this building were those who lived in the building before it was renovated by the JHC. Respondent A (JHC) also mentioned that monthly rental charges in their buildings vary, depending on the size of the rooms.

It is clear that many people are not accommodated into the renovated buildings and no alternative accommodation is provided for them. The inner city of Johannesburg serves as a transit point for most people who arrive in the city from different areas. The logical explanation for this could be that the inner city is close to transport, schools; health care, economic opportunities and affordable accommodation. As the COHRE report argues, the fact the people live under such conditions is a reflection of their desperation for housing in the inner city.

According to Respondent B (SHF) urban regeneration should cater for the rich and poor. In her opinion the poor are those with income below R 1 500. It is acknowledged that the City of Johannesburg is committed to doing a good job of ensuring that people live in buildings, which meet safety standards, and to improve the way the buildings look by encouraging companies and individuals to buy and renovate. The problem is that in the process of reviving buildings, a lot of people are left vulnerable.

It can be assumed that some of the evicted tenants have no choice but to move to the periphery of the city. The interviewed practitioners in both social housing and urban regeneration have no record of where the occupants go after they have been evicted. The main problem here is that when people move out of these derelict buildings which have been taken over by new management for renovations, they are not given alternative accommodation. As already mentioned Respondent C (JPC) pointed out that the new building owners are under no obligation from her department to ensure that the evicted tenants are given alternative accommodation. Respondent D (JPC)

pointed out that if people are squeezed out of the inner city there are places in the periphery of the city where they can go and live. An issue of concern is the fact that no affordable alternative accommodation is provided. It is acknowledged however that the JHC did a wonderful job in letting people stay in one of its buildings through renovations and giving these tenants first preference after renovations.

An approach like this is needed more in the inner city, especially because some of the people evicted are low-to-medium income earners, who save a lot more on staying in the inner city than if they stayed on the periphery.

6.4.6 The objectives of social housing and urban regeneration

The CoJ Metro and the Gauteng provincial government have been working together in initiatives aimed at revitalizing the city and attracting private investment back to the area. These authorities embrace social housing movements within the inner city as an important contributor to urban renewal. This view was permeated through the national level to the extent that in its draft social housing policy, the National Department of Housing states that social housing has the specific objective of achieving urban renewal, especially in the inner city areas of South Africa (National Department of Housing, 2002).

On the question of whether the objective of social housing and regeneration are conflicting or in synergy with each other, Respondent B's view was that the objectives of social housing and urban renewal are mutually supportive of one another. For her social housing is an intervention to give good quality accommodation, which is well located with good implications and spin-off effects for those who live in this developments. Urban regeneration on the other hand addresses the flight of business and rejuvenation of buildings.

According to Respondent A (JHC) the ultimate goal and outcome of social housing is regeneration. '*Our objectives are in line with those of the CoJ's inner city regeneration, through providing quality accommodation'*. She goes further to point

out that the inner city can never be regenerated to what it used to be because there is no chance that the businesses, which have moved, will move back to set up their offices in the inner city. Respondent B (SHF) shared the same view but for her this will open opportunities for new businesses to establish themselves in the inner city. The inner city is viewed as an environment that will have an appeal for entrepreneurs, small and medium businesses.

Respondents C, D, E, F and G also expressed the view that the objectives of the two programmes are in synergy. For all of them social housing is seen as a supporter of the property-led urban regeneration process because of the quality of houses provided and the safe, clean environment around these structures.

A different view from the above is that these programmes are diametrically opposed in terms of both their ethical base and value systems and outcomes. The author Oelofse for example, argues that all these arguments are based on conflicting principles. Urban regeneration and gentrification and subsequent increases in rentals force lower income residents to move out of the area (Oelofse, 2003:249).

He points out that those poor tenants are more likely to be excluded because they need subsidy funding to upgrade buildings as a group of tenants but they cannot get it because their risk profile is such that most financial institutions will not extend loan finance to them. Some tenants cannot afford to pay the rental after the buildings have been renovated. A reversal in decline of the inner city property values would attract higher rents for the private sector and result in higher rates for the Council and stimulate even further investment and economic and infrastructural development. For Oelofse, the direct beneficiaries would be the City Council, which could argue that increased revenue would allow increases in social spending, either in the form of housing support, housing related and environmental improvements. Private investors would argue that increased profits from high rents would stimulate increased investment in residential stock and increased job creation, tourism and improved land values would benefit home (Oelofse, 2003: 251). According to a SHF official the

winners of urban regeneration are few but have more finance and power to influence decisions made in the regeneration process.

The view by Oelofse is the same view that forms the hypothesis of the whole report, namely that the objectives of social housing and urban regeneration are in conflict. Out of all the interviews conducted, all the officials interviewed see nothing else but a synergy between social housing and urban regeneration. However, in their descriptions of such a relationship though, social housing is seen to play a supporting role to urban regeneration.

In seeing a synergy between the objectives of social housing and urban regeneration none of the officials expressed a concern over the implications of such kind of a link between on social housing. The following section turns to the officials' view of the implications of urban renewal on property prices.

6.4.7 eKhaya Neighbourhood Programme

Johannesburg Housing Company owns two and manages three residential buildings, Lake Success, Sylverdale and Rondebosch, which are all in the Pietersen Street area in Hillbrow. These buildings and others were acquired under the Better Buildings Programme. Respondent C (JPC) expressed that BBP and JHC have a good working relationship. For Respondent C JHC has been the biggest supporter of BBP and has been awarded 5-6 buildings through BBP. In 2004 the Johannesburg Housing Company approached stakeholders to develop a programme called eKhaya Neighbourhood Programme (ENP). The target neighbourhood is the Pietersen Street area between Klein and Claim Streets and the south side of Ockerse Street and the north of Smit Street. Thirty-three buildings were identified in the target neighbourhood and their owners were approached to take part in the ENP.

According to Respondent A (JHC) the idea of eKhaya came up because JHC realized that tenants were safe inside their buildings but they felt unsafe outside these buildings. JHC then decided to improve the neighbourhood to make it safe for

tenants. JHC acknowledged that it could not accomplish that task alone and decided to bring other building owners on board. So far 26 out of 33 landlords in the target area have expressed a commitment to ENP. The aim of the ENP "is to clean up the area and make it safe and habitable for tenants and for building owners to protect their investments" (The Star, 14-03-2005).

The main objectives of the programme are to:

- Organise a thriving neighbourhood in the area to encourage and sustain the economic and social wellbeing of its residents, workers and visitors;
- Establish an investment node which attracts and protects the financial investment of individual home owners, larger property owners, small and large business and financial institutions;
- Register a Section 21 company as the governing instrument to identify, promote and act on shared issues of concern that will promote the realization of the aims stated above.

Respondent F (ENP Coordinator) also expressed that she would like to see building owners working together all over the city to improve their neighbourhoods reiterated the objectives stated above. '*JHC as a social housing institution plays a pioneering leadership role in reviving buildings in the inner city, as it has been able to get the private sector involved in ENP*" (Interview with Respondent F (ENP Coordinators), 6-10-2005).

In a 2004 report prepared by Respondent F (ENP Coordinator) it is stated that JHC wishes to extend governance beyond the partnership for the first phase to the second phase. These phases are:

- Arranging the physical refurbishment of buildings, the financial partnership with provincial housing, financial institutions and the new residential component and the new relationships involved
- Developing the neighbourhood relationships which in turn must introduce themselves and interlink the city role-players (Region 8, ward councillors and

ward committees, city service departments such as refuse removal, health, community services, water, electricity; policing and by-law enforcements – through working with the SAPS, CPF and MPD.

The achievements of ENP to date; according to Respondent F include forming a New Year Campaign. This was coordinated by a Task Team to promote a safer New Year weekend in the neighbourhood, in conjunction with Propcom, SAPS and MPD. Police patrolling was arranged for the neighbourhood around the New Year's celebrations and it was recorded that the area was much quieter with lower incidence of crime and disturbance. A caretaker's forum has also been established, where caretakers from the various buildings meet four times in a year to discuss incidences in the area. They distribute information arising out of the meetings within their buildings through pamphlets and notices.

When asked about the extent to which tenants are involved in the ENP, Respondent F (ENP Coordinator) mentioned that the tenants are not yet actively incorporated into the programme because tenants and landlords are still very suspicious of one another. This she attributed to the developments of the early 1990s when there were riots against increased rents due to landlords overcharging tenants. This relationship requires caution. Respondent F mentioned though that there are plans to incorporate tenants in the new programme of lane (passages between the buildings) management. The plan is to clean up the lanes and close them up because in some cases criminals use them to hide and they pose a health risk because of the filth found there. The lanes are to be managed by tenants in to ensure that they are clean and stay clean

The officials interviewed see ENP as something they would like to see succeed and implemented in different neighbourhoods within the city. Cleaning up the neighbourhood is a good idea. The only concern is that in the case of the neighbourhood being cleaned up and well managed; the likelihood of property prices increasing is very high. This could result in rent increases, which could mean that low-to-medium income earners marginalized, as they will not be able to afford rents

in the inner city. The next section looks at the implications of urban regeneration on property prices.

6.4.8 Implications of urban regeneration on property values

The Trafalgar Inner City Report states "urban regeneration will lead to rocketing rentals, strong demand and increasingly savvy tenants driving gentrification in the inner cities. Gentrification is a process whereby middle class people take up residence in traditionally working class areas of a city, thereby changing the character of the city by displacing the urban poor" (Business Report, October 7 2005).

Some property owners left their buildings when urban decay set in. Nevill Schaefer, the chief executive of Trafalgar, said despite the fact of owners absconding, "urban revival is likely to boost property values" (Cokayne, Business Report, October 7 05). Schaefer also said that "the close link between regeneration and demand for housing was being noted because more people wanted to live into the inner city and a vibrant residential mix would help create a sustainable, active city". He also said that supply was getting tighter for buyers of rental buildings and individual units.

Schaefer also pointed out that "a growing worry is the apparent inability of metropolitan government to manage the influx of the poor, looking for opportunities in urban areas". The Trafalgar inner city report states the following price range for rental accommodation in Johannesburg:

- bachelor flat rental goes up to R 1 880
- One-bed flat rental goes up to R 2 100
- Two bed roomed flat goes up to R2 500
- Three-bed flat is goes up to R 2 700.

When the implications of urban regeneration on property prices was raised, Respondent A (JHC) mentioned that this will not have any impact on the ability of social housing to provide accommodation for low income earners. Respondent D (JPC) acknowledged that building prices will rise, and it will make it harder for some individuals or companies to purchase buildings while those who manage to pay will

have to increase the rents they charge. Respondent D (JPC) went further to state that even if this were to happen, not all poor people would be pushed from the inner city. The respondents meant that these people would always find a place to stay in the inner city. Most of the officials interviewed did not seem to be bothered by the impact of increased property prices on social housing and what that meant for tenants

6.5 Other issues arising from the interviews

It was evident from the interviews that there are misconceptions around the notion of social housing because people consider the poor to be low-income earners. Both Respondents A (JHC) and B (SHF) put emphasis on the point that people confuse social housing and public/low cost housing. Respondent B (SHF) pointed out that in her view public housing caters for people earning R0 - R1 500 and social housing caters for low to medium income earners, and furthermore it is not restricted to this specific income group. In other words this respondent is implying that poorer people living in the inner city are not intended to get accommodation in social housing. In taking this view the potential tensions between the objectives of social housing and that of urban regeneration are less obvious. According to Respondent A (JHC) the confusion in differentiating public and social housing could be due to the fact that these two models were introduced around the same time. What this line of thinking suggests is that some other form of public housing should be catering for the poor, however this options are at the moment not clear. Certainly models in the inner city are not widely available, although there are some non-profit housing options catering for poorer people such as communal and transitional housing within the city of Johannesburg housing mentioned earlier in chapter 3.

Along these lines the Johannesburg Property Company has earmarked The Europa Hotel in Hillbrow to be renovated into transitional and communal housing. The Europa was a strip joint, drug den and haven for hookers, particularly under-age girls. It was also the scene of murders: mafia henchmen allegedly threw unfortunates who couldn't pay their debts from the seven-floor building. By the time the hotel had clocked up R3-million in service arrears, the City Council was able to move in and

expropriate the building for the Better Buildings Programme (http://www.joburg.org.za/2004/june/june3_europa.stm)

“The Europa was set aside by the City of Joburg Property Company (JPC) for use as an emergency shelter and temporary relocation facility for people who are moved during the course of an upgrade," (Respondent D (JPC), http://www.joburg.org.za/2004/june/june3_europa.stm). The funding for these renovations comes from the Johannesburg Property Company's Better Buildings Programme, the City of Johannesburg's housing department and the Gauteng department of housing and according to Respondent D (JPC) the Council of Johannesburg will regulate the rent at Europa.

Four floors will be for communal living, with not more than four people staying in one sleeping unit. Residents will share facilities such as bathrooms, kitchens, lounges and dining areas. Two floors will be set-aside for residents staying a longer period, with not more than four people staying in one permanent unit. Each unit will have its own bathroom and kitchen facilities. Madulammoho, or communal living, the housing association, was appointed to manage the transitional housing shelter on behalf of the City as owners of the building for 20 years. In terms of the lease, Madulammoho will provide total management and rental accommodation for basement parking and storage, the ground floor, floors including the Old Razzmatazz night club, emergency housing, administration, retail, sporting and training (http://www.joburg.org.za/2005/mar/mar8_europa.stm)**.**

This example illustrates one of the few formal accommodation options available for people who have had disasters such as a fire, floods or evictions, resulting in a need for emergency shelter. As mentioned in chapter 3 that there are few housing options available in the form of transitional and communal housing in the inner city, the Europa Hotel does add to that list.

6.6 Conclusion

This chapter has attempted to present the perspectives of practitioners within social housing and urban regeneration in Johannesburg. What comes out from this section is that there is no clarity in terms of the understanding of who social housing is meant for. The objectives of social housing and urban regeneration are seen to be in synergy with each other according to the practitioners. The issue of displacement of people due to the Better Buildings Programme does not come out as a pressing issue for these practitioners. However, the Johannesburg Property Company has made an attempt at providing emergency shelter in Hillbrow, for people with lower income.

Chapter 7

Conclusion

7.1 Chapter Objectives

Johannesburg is a multi cultural city, with people from different backgrounds. The inner city serves as a transit point for most people who migrate into the city because it offers access to transport, potential employers, health care, schools, etc. This chapter serves as the final chapter of this research report and it attempts to summarise what the report has discovered and to make recommendations. In the preceding chapters the story of Johannesburg buildings was briefly highlighted. The objectives of local economic development and urban regeneration were highlighted and a link between social housing and regeneration was made.

7.2 The target group or beneficiaries of social housing

It was made clear from the literature and interviews that social housing has a regenerative objective and to offer affordable accommodation of good quality, close to transport, schools, places of work and shops. Social housing is seen by the various respondents to be making a valuable contribution to the regeneration of the inner city because of the above stated reasons but mainly because of the good quality of the accommodation it offers, in safe and clean environment. As a result respondents see social housing as a supporter of property-led regeneration.

The interviews reveal that there is no clarity from the officials who practice in social housing about whom social housing is meant to benefit. The concern throughout the document has been that social housing should be targeting lower income people than it is. In addition there is also a concern that increased property prices will limit access to those that social housing is itself trying to target

7.3 Objectives of urban regeneration

Urban regeneration aims to revive the economy of the inner city through renovating the inner city buildings with the hope that creation of clean buildings will lead to positive impacts on surrounding buildings. The ultimate aim of the Council is to revive the economy, attract investors and to raise property prices. The Better Buildings Programme facilitates property-led economic development. Though it has good intentions, this programme has been criticized for displacing people who stay in the inner city buildings, most of whom earn a low income. This inner city tenants are evicted and none of the practitioners of urban regeneration knows for sure where they go after they have been evicted.

It is assumed that the low-income tenants are the ones who are found in the inner city's bad buildings. These are groups which are target groups of social housing according to the social housing policy of 2003 but they cannot all be accommodate in social housing, because they cannot afford the rent. Through the bad building evictions people who are supposed to benefit from social housing are mostly the ones evicted. . There seems to be little done to make alternative housing of good quality available to them.

7.4 Objectives and benefits of social housing

Social housing provided by JHC makes a regenerative contribution into the city because the type of structures constructed by this housing institution. JHC offers new housing structures, which are clean, safe because there are security guards at the gate and some in some buildings tenants have cards for gaining access into the building using. JHC has also renovated some old buildings, which were classified as 'bad buildings' by the Inner City Task Force, which refers the matter to the Better Buildings Programme.

JHC units are well managed and as already mentioned offer various training programmes to uplift the residents, As part of its social responsibility to its residents, JHC has several programmes within some of its buildings to empower the lives of

residents. It runs Makhubu a Matala, a community development initiative aimed at empowering tenants. It runs courses in counseling and childhood development and courses in bricklaying and building for unemployed tenants who then help with the construction and renovation of JHC buildings (The Star, February 17 2005).

Social housing also makes a contribution to the integration of the city because its buildings are within the inner city. It has housing units on the eastern edge of the city, in Joubert Park and Hillbrow, in the CBD, in Newtown and Fordsburg. The inner city has different transport nodes, shops, schools, entertainment and recreational centers; which are presumed to be accessible to residents within the inner city and social housing units. JHC promotes mixed income tenants and thus integrates people form different races, with cultural and religious backgrounds.

7.5 The Better Buildings Programme

The Better Buildings Programme is a good initiative in terms of identifying buildings, which do not meet the by-laws of the inner city such as health and safety standards. The negative aspect about it is the rate of evictions and displacement it has caused to tenants who live in the identified *bad buildings.* What is also disturbing is the fact that there are no strategies in place to ensure that the evicted people get alternative accommodation. As indicated by Respondents C and D the JPC does not intervene to ensure that the evicted tenants reach an agreement with the new owner by may be giving the evicted tenants first priority to move in when the building has been renovated.

Considering the way the evictions are done and how they disrupt the lives of tenants in the inner city, an initiative by JHC to let tenants stay in the building while it was being renovated, transporting tenants to various destinations during evictions and giving the evicted tenants first priority after renovations is a desirable strategy that could be encouraged and enforced by the municipality, to ensure that the investors have some form of social responsibility to tenants.

7.6 Impact of urban regeneration on lives of tenants in the inner city

Urban regeneration in Johannesburg does not benefit all citizens because its strategy is aimed at attracting investors and increasing property prices, while people who live in the inner city are evicted out of buildings in the inner city. The buildings are said to be hazardous for occupation but the municipality does not have a housing strategy to address the needs of these people. Investors coming in to renovate buildings also don't do anything to address the housing issue and as a result residents in the inner city are evicted. It seems to benefit people with money to invest in various developments because they have the means to invest, and their voices or opinions can be heard, unlike those of low- income earners. As a result of their ability to invest, investors have the power to influence decision made within regeneration strategies and hence the direction that development takes within the city.

7.7 Objectives of social housing and urban regeneration

All the respondents felt that the objectives of social housing and urban regeneration are in synergy with one another because of the regenerative ability of social housing. The point expressed by the respondents made sense but an issue of concern is the fact that as it is people earning between R1 500 and R3 500 or less than R1 500 have difficulty in affording rent in the inner city and rents are likely to increase, meaning that they will be further marginalised from benefiting from social housing and a revived inner city. There are very few transitional and communal housing models within the City of Johannesburg to address the needs of this people. Social housing practitioners need to engage more to clarify who social housing can benefit, while the urban regeneration strategy needs to create strategies, which deal directly with addressing the plight of low income earners so that all who live in the city can benefit from living there.

7.8 eKhaya Neighbourhood Programme

An initiative like eKhaya is a good example of the potential impact that social housing and housing in general can have on improving neighbourhoods in the inner city, thus making it more safer for tenants who live in the city and making the

neighbourhoods clean. It also illustrates that the private sector, non-profit organisations and structures of provincial (SAPS) and local government utilities (Pikitup, MPD) can work together to address common problems in the city. An initiative like this is based on communication between groups of actors who are motivated by different reasons and interests for being in the inner city. Despite the different interests they all have one common interest, to sustain their investment by creating a clean and safe neighbourhood. The eKhaya Neighbourhood Programme is still at the pilot phase in the Pietersen area but so far it has demonstrated that when various interest parties come together they can make a difference.

7.9 Implications of urban regeneration on property prices

Urban regeneration will increase property prices, which is the ultimate goal of the5; pillars of inner city regeneration. None of the practitioners interviewed expressed a concern over the implications of such an impact on the ability of social housing to accommodate low-income earners at affordable prices. It is logical that when property prices increase, the purchase price will also increase, so will rent. There is a pressing need for the City, other private sector partners, social housing and housing practitioners to put their heads together to come up with a strategy on how to ensure that there is good quality accommodation for low-income earners in the inner city.

In addition, little attention is paid in the urban regeneration strategy to people unable to afford social housing or privately provided decent accommodation, although there are few exceptions of cheaper accommodation in well managed, maintained, good quality and secure buildings like those Rondebosch, Europa and transitional and communal housing options which are at a limited scale in the inner city. There is clearly a need for housing options that will focus on low-income earners in the city.

7.10 Conclusion

The findings show that there is consensus among the practitioners of urban regeneration and social housing on the synergy of social housing and urban regeneration. It seems people want to focus on the positive aspects of both

programmes and underplay the reality of the housing situation in Johannesburg. These perspectives are valid but an issue of concern is that social housing and urban regeneration seem to be designed for a group of people who can afford to pay. Less is said about those that do not have the means to pay for services like decent, good quality accommodation in a safe environment. This calls for a strategy, which incorporates a balance of service provision for the different income groups within the city.

It is evident from the interviews and literature that within every environment there are different interests and motivations for people in their interactions. In this case Johannesburg Housing Company is facilitating social housing delivery and urban regeneration in parallel. This will ultimately benefit certain people like the Council of the City of Johannesburg, private sector investors, whose ultimate goal is to grow a return on their investments and those who can afford to pay rent in the city. This strategy seems to limit space for those earning less than R1 500 and between R1 500 and R3 500. It may also over time be less able to target its original social housing market.

The writings on LED and urban regeneration show that these strategies are designed to benefit all people who live in the city but in practice those who can afford end up as beneficiaries because these strategies are profit driven. According to Rogerson, LED in Johannesburg is struggling to:

- To balance local economic strategies so that they achieve increased competitiveness and poverty alleviation
- To address enormous demand for service delivery, particularly where services have not reached vulnerable members of society, as well as severe affordability

The link between the social housing and urban regeneration contribution should be revised to be more inclusive by catering for all income brackets and improving the lives of those who are marginalized and the municipality should come up with

strategies to ensure that low income earners have a home in the inner city of Johannesburg.

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Annexure A: List of interviewees and interview dates

- Respondent A: Dombolo Masilela from Johannesburg Housing Company (JHC) was interviewed on 23-08-2005.
- Respondent B: Margot Ruben from Social Housing Foundation (SHF) was interviewed on 19-08-2005.
- Respondent C: Nicole Hodnett from Johannesburg Property Company (JPC) was interviewed on 31-08-2005.
- Respondent D: Geoffrey Mendelowitz from Johannesburg Property Company (JPC) was interviewed on 26-09-2005.
- Respondent E: Neil Fraser from Johannesburg Central Partnership (JCP) was interviewed on 13-09-2005.
- Respondent F: Josie Adler, eKhaya Neighbourhood Programme Coordinator on was interviewed on 6-10-05.
- Respondent G: Roopa Singh from Region 8 was interviewed on 26-09-2005.

<u>Problems encountered with the interviews</u>

An email was sent to Martin New around August explaining the background of the research and requesting an appointment with him. A response came on Sunday 18 September, when Roopa Singh called to find out if I had seen anyone from Region 8. Since I had not seen anyone from that office we set up time to meet on 26 September at 11:30 a.m. When I got there she only answered a few questions about urban regeneration and said that she cannot answer any more questions because she needs permission from her boss. She typed out the answers on her computer and said she will email them to me. Sometime in the first week of October I called her but she said her boss has not been in the office and she will get back to me. I am still waiting for her email.

Annexure B: Questions for the various respondents

Questions directed at the Johannesburg Housing Company (JHC)

- What is JHC's principle(s) on social housing?

- Who are JHC's target groups?
- Does JHC accommodate employed people only?
- Does JHC accept people working in the informal economy?
- Who is JHC accommodating currently? What is the income of these people?
- Are the targeted groups the same in all areas where JHC provides housing?
- Is there a targeted quaota for income groups in JHC's buildings?
- Are all JHC buildings charged the same rental rate?

- Does JHC offer rental as the only tenure option? Why?

- What is JHC 's view on transitional and communal housing? (meaning? Their role, their usefulness, their profitability?)
- Does JHC see this as alternatives for it to accommodate low-income groups?

- How or where did the idea of eKhaya Neighbourhood Programme originate from?
- What motivated JHC to take the idea of eKhaya forward?
- What will JHC gain form from eKhaya?
- Where will funds to develop the neighborhood come from?
- Of the issues highlighted in the assessment of the neighborhood, which issues will be given first priority in the area?

- What is JHC's view on urban regenerationl?
- What is JHC's view on urban regeneration strategy of CoJ?
- What is JHC 's view on Joburg 2030?
- What has the impact or contribution of JHC been to urban regeneration?

- What is JHC's view on BBP?
- Is there a link or relationship between JHC and BBP?
- If yes, what is the nature of this relationship?

- What is the future of eKhaya 5 years from now?
- What does JHC think about the critiques that BBP has been displacing people form the inner city?
- What do you think are the implications of increased economic investment on residential property in Hillbrow and CBD?
- What do you think are the implications for urban renewal on and Joburg 2030 on low- income earners having a home in the city?
- What are the implications of these on the future of JHC and other social housing institutions on providing social housing for low-income earners in the inner city?

Questions directed at the Johannesburg Property Company (JPC)

- What is the mandate of JPC?
- What is the vision of JPC for the CoJ?
- What are the objectives of JPC?
- What is JPC's relationship with BBP?
- Relationship to urban regeneration programme?
- Knowledge of, Involvement in eKhaya?
- Relationship to social housing institutions if any?

Questions directed at the Better Buildings Programme

- What are the objectives of BBP?
- What is BBP's vision for the city?

- What is the procedure for identifying a derelict building? Again, clarify for yourself what you are looking for from this question – how will you use the info in your research
- What processes are followed to evict people?
- Does BBP know who this people are? Their income?
- Where do you think this people go after the eviction?

- What does BBP mean by successful intervention in a building?
- Who is BBP's typical intervener? Is it the private sector, non-profit organizations or charity organizations?
- Who do you think would be staying in these buildings after renovations?

- What do BBP's view on urban regeneration?
- Regeneration through revival of buildings has been critiqued for gentrification, what is your view on this?
-
- What do you understand social housing to be?
- Who do you think social housing is meant for?

- Is there a link or relationship between JHC and BBP?
- If yes, what is the nature of this relationship?
- What do you think about JHC and its contribution to renewal?
- What do you think about the eKhaya Neighborhood Programme?
- What do you think is the future of social housing and its ability to accommodate low-income earners in the city 5 years down the line?
- What do you think are the implications of increased economic investment on residential property in Hillbrow and CBD?
- What do you think are the implications for urban renewal on and Joburg 2030 on low- income earners having a home in the city?

- What are the implications of these on the future of JHC and other social housing institutions on providing social housing for low-income earners in the inner city?

Questions for Respondent E (JCP):

Urban Regeneration

- Can you please clarify the distinction between urban renewal, urban regeneration and urban rejuvenation?
- CoJ follows which of these concepts describes what in reviving the inner city?
- What are the general objectives of urban renewal/ regeneration, as you know from other countries?
- What are the objectives of urban regeneration in CoJ?
- Who stands to benefit from Johannesburg's inner city regeneration strategy?
- Do you think there is an alternative urban renewal strategy that the city could take?
- Is the local economic development strategy of the CoJ pro-poor or pro-market?
- What strategies have been adopted to demonstrate this?
- Is this regeneration strategy pro-poor or pro-market?
- Does urban regeneration of the CoJ promote human development?
- Is the city doing enough to include all citizens as beneficiaries of regeneration in the inner city?

Stakeholders

- Who are the major stakeholders in the CoJ's inner city renewal strategy?
- What do all these stakeholders stand to gain from the regeneration strategy?
- How influential have these stakeholders been in the adoption of the strategies taken in the inner city regeneration strategy?
- Is the inner city regeneration strategy what is wanted by the city or what is wanted by business?

Social Housing

- Who is the target group of social housing?
- What is your view on the objectives of social housing in South Africa?
- Do social housing projects of the JHC cater for the target group in reality?

Better Buildings Programme

- What is your view on the work that has been done by the Better Buildings Programme (BBP) in reviving property in the inner city?
- The BBP has been criticized for displacement of poor people from the inner city, what is your view on this?
- Are there ways to improve the buildings without displacing the people who are residing in these buildings?

The link between social housing and urban renewal

- Does social housing make any contribution to urban renewal in the inner city of Johannesburg?
- If so, how?
- In your understanding of the objectives of social housing and the CoJ's inner city urban renewal strategy, are they in synergy with each other or conflicting?
- What impact will the inner city regeneration strategy have on the ability of people to afford social housing in the inner city?

<u>Questions directed at SHF:</u>

General social housing

- How do you define social housing?
- What are the objectives of social housing?
- How much is classified as a low-income?
- How much is classified as a medium-income?
- How much is classified as a high income?
- What are the objectives of social housing?
- Do social housing institutions reach/accommodate the target group?
- If not, why?
- What do you think is the cause for social housing institutions to go up market?

Institutional subsidy

- Can you please explain what an institutional subsidy is?
- How much is it?
- What costs does it cover in the development or renovation of a social housing development?
- *Alternatives*
- Why rental?
- Are there alternatives to making social housing more affordable to low income earners?
- Do you think communal and transitional housing can be viable, sustainable alternatives to accommodate low- income earners?

Urban regeneration

- What do you think about Joburg 2030?
- What do you think about urban regeneration?
- What do you think about the CoJ's inner city regeneration strategy?
- What do you think are the objectives of urban regenerationl?
- Who are the interests groups driving UR?
- Who are the beneficiaries of the CoJ's UR strategy?
- What is your view on BBP, which has been criticized for displacing low-income earners in the city?

eKhaya

- Do you know about the eKhaya Neighbourhood Programme?
- Who do you think eKhaya will benefit?

- Do you think it is sustainable?
- Is it a desirable project that can be implemented elsewhere?

Social Housing & Urban Renewal

- Do you think the objectives of social housing and urban renewal strategy of Johannesburg are in line with each other or conflicting?
- What do you think are the long-term implications of UR on the future possibility of the delivery of SH units to low-income earners in the city?

<u>Questions directed at Josie Adler</u>

***S*ocial housing**

- How do you define social housing?
- What are the objectives of social housing?
- Do you social housing institutions reach/accommodate the target group?
- If not, why?

Urban Regeneration

- What do you think are the objectives of social housing?
- What does JHC think about the critiques that BBP has been displacing people form the inner city?
- What do you think are the implications of increased economic investment on residential property in Hillbrow and CBD?
- What do you think are the implications for urban renewal on and Joburg 2030 on low- income earners having a home in the city?
- What are the implications of these on the future of JHC and other social housing institutions on providing social housing for low-income earners in the inner city?

eKhaya

- How or where did the idea of eKhaya Neighbourhood Programme originate from?
- What motivated JHC to take the idea of eKhaya forward?
- What will JHC gain from eKhaya?
- Who are the other building owners in eKhaya?
- Are there any other parties involved in eKhaya?
- Where will funds to develop the neighbourhood come from?
- Of the issues highlighted in the assessment of the neighbourhood, which issues will be given first priority in the area?
- What is the future of eKhaya 5 years from now?